



Daily Report

China

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General

PRC: Spokesman Announces Yasir 'Arafat To Visit 17 Jun

OW1506071196 Beijing XINHUA in English
0648 GMT 15 Jun 96

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — President of the State of Palestine, Yasir 'Arafat, will pay a state visit to China from June 17 at the invitation of Chinese President Jiang

Zemin.

Chinese Foreign Ministry Spokesman Shen Guofang made the announcement here today.

PRC: Envoy Comments on UNSC Extension of Mandate in Tajikistan

OW1406233196 Beijing XINHUA in English
1806 GMT 14 Jun 96

[FBIS Transcribed Text] United Nations, June 14 (XINHUA) — The United Nations Security Council today decided to extend the mandate of the United Nations Mission of Observers in Tajikistan (UNMOT) for six months until December 15, 1996.

In a resolution adopted unanimously today, the council said that the mandate of UNMOT will be effective subject to the proviso that the Tehran Agreement remains in force and the parties demonstrate their commitment to an effective cease-fire, to national reconciliation and to the promotion of democracy.

The Security Council further decided that this mandate of UNMOT will remain in effect unless the Secretary-General reports to the council that these conditions have not been met.

It expressed its grave concern at the serious deterioration of the situation in Tajikistan and stressed urgent need for the Tajik parties to adhere sincerely and in good faith to the commitments they have made.

It stressed the need for an early resumption of talks between the Government of Tajikistan and the United Tajik Opposition.

UN Secretary-General Butrus Butrus-Ghali submitted a report to the Security Council earlier this month, which noted that fighting escalated in the Tavildara sector in Tajikistan from early May. The fighting resulted in many human losses, the interruption of communication between the capital and a large part of the country and a dramatic aggravation of the humanitarian situation in Tajikistan.

The Security Council called upon the parties immediately to cease hostilities and to comply fully with the

Tehran Agreement and all the other obligations they have assumed, and strongly urged them to extend the cease-fire for the whole duration of the inter-Tajik talks.

The council also called upon the parties to cooperate fully with the Secretary-General's Special Representative, with UNMOT and to ensure the safety of the personnel of the United Nations and other international organizations.

Chinese Ambassador Wang Xuexian said at the council that the fundamental solution for Tajik issue rested with peaceful negotiations between the two parties so that they would put an end to their differences and realize national reconciliation.

"We support the efforts of the Secretary-General and his special representative in promotion of the comprehensive political solution of Tajik issue. UNMOT has played and will continue to play an important function in implementing the mandate. We hope both parties will closely cooperate with UNMOT to ensure safety of the UNMOT personnel and enable them to complete their tasks," he said.

PRC: XINHUA: UNSC Condemns Iraq's New Non-Compliance Action

OW1406233296 Beijing XINHUA in English
2216 GMT 14 Jun 96

[FBIS Transcribed Text] United Nations, June 14 (XINHUA) — The Security Council today condemned the failure of Iraq to comply with Resolution 1060 of June 12, 1996 by refusing access to sites designated by the UN Special Commission on June 13.

"Coming after the denial of access on June 11 and 12, this new dimension of non-compliance marks a serious step backwards in Iraq's cooperation with the Special Commission," said Nabil A. Elaraby of Egypt, president of the Security Council for June.

In a presidential statement, he said that the council considered that these events constitute a clear and flagrant violation of its resolutions 687 (1991), 707 (1991) and 715 (1991).

The Security Council reiterated its full support for the Special Commission in the conduct of its inspections and the other tasks entrusted to it by the council. The council rejected attempts by Iraq to impose conditions on the conduct of inspections by the Special Commission.

The Security Council demanded once again that Iraq comply with the relevant resolutions of the council, and in particular, allow the inspection teams of the Special Commission immediate, unconditional and restricted

access to any and all areas, facilities, equipment, records and means of transportation which they wish to inspect.

PRC: Representative on Nuclear Test Ban Treaty

OW1706091496 Beijing XINHUA Domestic Service
in Chinese 0226 GMT 15 Jun 96

[Article by reporters Chen Weibin (7115 4850 2430) and Ban Wei (3803 3837): "Chinese Disarmament Representative Sha Zukang Talks About Complete Nuclear Test Ban Treaty Talks"]

[FBIS Translated Text] Geneva, 15 Jun (XINHUA) — Chinese disarmament representative Sha Zukang disclosed here on 15 June that the relevant parties attending the talks on the treaty on complete prohibition of nuclear tests still hold different views on some essential issues. The representative added that the treaty's verification will be a crucial issue to the success of the talks.

The two-year-long talks on the treaty have now entered the final stage and will be agreed upon by the end of this month in accordance with the goal set by the UN General Assembly's resolution. Now the relevant parties are busy holding talks on eliminating their final differences. During an interview with XINHUA reporters here, Sha Zukang provided an all-round briefing about the progress of the talks.

In Sha Zukang's opinion, the relevant parties still hold differences on the following essential issues:

The preface to the treaty: Nonaligned nations proposed that a nuclear disarmament within a time limit as well as the prohibition of nuclear arms development and improvement be explicitly included in the preface. China has always stood for an early, complete, and thorough destruction of all nuclear weapons and believes that the treaty on complete prohibition of nuclear tests is a concrete step toward this end. For this reason, China agrees that the preface should point out the complete destruction of nuclear weapons. In addition, China also favors that the preface should properly portray the commitment of nations possessing nuclear weapons on not using nuclear weapons against nations having no nuclear weapons, and the common commitment of nations possessing nuclear weapons on not being the first to use nuclear weapons. However, out of consideration for maintaining their nuclear deterrent, other nations possessing nuclear weapons do not agree with this proposal.

The scope of prohibition on nuclear tests: So far most nations favor that the treaty should clarify the prohibition of tests on all nuclear explosions and any other nuclear explosions. China had in the past always favored that the treaty should not ban nuclear explosions for peaceful purposes. But taking account of the rele-

vant parties' concern over how to differentiate between nuclear explosions for peaceful purposes and those for military use, considering that the talks have entered the final stage, and for the sake of concluding the talks as scheduled, China recently agreed that the treaty may temporarily ban nuclear explosions for peaceful purposes. Also, to allow the future treaty deliberation meeting to discuss this issue. On the scope of prohibition, the controversy mainly focuses on whether prohibition should apply to all nonexplosive nuclear tests, including simulated nuclear tests in laboratories. This is the demand proposed by nonnuclear nations headed by the nonaligned. But Western nations and Russia explicitly indicated their need to conduct nonexplosive nuclear tests to maintain the safety and reliability of their nuclear storage.

Verification of the treaty: The central issue is on-the-spot inspection. Now the relevant parties all agree that the data obtained by the international monitoring system set up by the treaty should be taken as the ground for proposing an on-the-spot inspection. But apart from this, Western developed nations also proposed the idea of initiating an on-the-spot inspection by using the information obtained through their so-called "state technological methods" and what they call "any relevant information." Third World nations, including China, objected to this, saying that state technological methods should be restricted although they can play a certain supplementary role, whereas the "relevant information" obtained through hearsay or espionage must be forbidden. If this does not occur, such information may cause on-the-spot inspection abuse and put developing nations in a discriminatory position. Furthermore, some Western nations indicated that to show its deterring force, an on-the-spot inspection must immediately be carried out upon proposal, except when the majority of the treaty's executive members object. But China proposed that to ensure the seriousness and fairness of on-the-spot inspection, the executive members can only approve an on-the-spot inspection request when two-thirds of the member nations agree. Now heated negotiations are still under way over this issue. Sha Zukang said this is a crucial issue relating to the success or failure of the talks on the treaty.

How the treaty should come into force: Some nuclear superpowers proposed that as long as the five nuclear nations accede to the treaty, it will come into force, but Russia pointed out that only when all the 68 nations whose nuclear capability is recognized by the International Atomic Energy Agency approve, will the treaty come into force. There are many other proposals. A proposal that may lead to a compromise is this: The treaty will come into force with the approval of the

five nuclear nations, the so-called "nuclear threshold" nations, and a certain number of other nations.

Moreover, the relevant parties also hold differences on the formation of the future treaty's executive council.

On the prospects of the talks, Sha Zukang said that despite the differences mentioned above, it is possible to sign the treaty as scheduled as long as the relevant parties express adequate political intentions and flexibility, do not seek unilateral interests, and can meet the appropriate demands of developing nations.

PRC: UN Conference Ends After Endorsing Habitat Agenda

*OW1506093496 Beijing XINHUA in English
0855 GMT 15 Jun 96*

["Roundup" by Wang Qiang: "UN Conference on Human Settlements Ends After Endorsement of Habitat Agenda"]

[FBIS Transcribed Text] Istanbul, June 15 (XINHUA) — The Second United Nations Conference on Human Settlements (HABITAT II) ended here today before dawn, making a new start for sharing solutions aimed at improving life in human settlements with the endorsement of the Habitat Agenda.

The closing plenary dragged on due to the attempt by Vatican delegation to impose its religious dogma against family planning and reproductive health principles on the final documents of the conference. But it failed.

The Istanbul Declaration and Habitat Agenda were passed in the closing plenary by representatives of 171 countries from all over the world.

They endorsed the universal goals of ensuring adequate shelter for all and making human settlements safer, healthier, more livable, equitable, sustainable and more productive.

The enabling strategy and the principles of partnership and participation were also adopted as the most democratic and effective approach for the realization of the countries' commitments.

Since the goals and principles have been worked out, said Habitat Secretary-General Wally N'dow, "Our cities, our towns, our future will be determined by how the Global Plan of Action is put into implementation."

Turkish Foreign Minister Emre Gonensay, who made a closing speech on behalf of President Suleyman Demirel of the host country, urged all the participants not to leave these documents "on some library shelf to gather dust" or regard them merely as sources to refresh their memories.

"We must put them to effective use as the main sources of reference to guide our future endeavors..." he stressed.

According to N'dow, the two-week event succeeded in all of its major goals of putting the problems of human settlements at the center of local, national and international agenda.

Included in the process for the first time were representatives from cities, the private sector, other local authorities, grassroots organizations and non-government organizations (NGOs), instead of just national governments.

Some 16,400 people participated in the debates and other sessions from June 3-14 in Istanbul in the major U.N. Conference of the century.

The primary disputes arose over the definition of the "right to housing," the question of whether developed countries should greatly increase aid to developing ones to improve shelter, and women's reproductive rights.

"We have solved most of these questions, through vigorous debate and consensus," said N'dow. "A major reason why debate was so spirited was because of the fresh infusion of voices into this U.N. Conference, from city and other local officials, NGOs and grassroots organizations."

During the conference, 12 special urban development projects were awarded "Best Practices for Improving Human Settlements," designed to encourage experimentation around the world's cities.

Some 20 heads of state or government arrived in Istanbul for the last three days of the high-level meeting, most of them from developing countries. Cuban leader Fidel Castro therefore lashed out at the West for poisoning the planet but now showing little interest to save the world.

N'dow emphasized that another major advance of the conference was in its emphasis on the crucial role of women in the sustainable development of human settlements.

Two weeks ago, when people first arrived in the historical city of Istanbul, they were greeted by banners wavering in main streets to the conference valley, reading "Welcome to Istanbul to Accomplish a World Mission".

Today, as they are leaving Istanbul, another slogan is seeing them off — "Be a Part of the Solution."

PRC: Research Laboratory To Invite Third World Scientists*OW1606141196 Beijing XINHUA in English
1322 GMT 16 Jun 96*

[FBIS Transcribed Text] Hefei, June 16 (XINHUA) — China's National Synchrotron Radiation Laboratory will arrange for ten scientists from Third World countries to perform research experiments there annually, starting next year.

The laboratory, the only one of its kind in operation now in China, has been named a sophisticated research center by the Third World Academy of Sciences, according to deputy director Zhang Xinyi.

Designed by the China University of Science and Technology, the laboratory was completed in 1989 and opened in April 1993. It has attracted scientists from Germany, France and Japan, and has more than 100 registered users in China and abroad.

The laboratory now has 35 registered graduate students and post-doctor researchers, including 18 doctors and three post-doctor researchers. Lab workers, on average, are 38 years old.

So far, the lab has recorded more than 20 advanced achievements. Following completion of a second-phase project, the lab will be able to train 60 doctoral- and master's-program students and five post-doctorates, complete over 120 research programs and receive several hundred researchers annually, Zhang said.

PRC: Experts Call For Pan-Asia Continental Oil Bridge*OW1606042596 Beijing XINHUA in English
0236 GMT 16 Jun 96*

[FBIS Transcribed Text] Beijing, June 16 (XINHUA) — Chinese experts today called for the building of a Pan-Asia continental oil bridge, with oil and gas pipelines linking China, Central Asia, Russia, the Middle East as well as Japan and the Republic of Korea.

The move is aimed at developing regional oil markets into the international arena, and boosting oil trade and cooperation between countries in the eastern and western parts of the world's largest continent, said the experts.

Experts stressed that cooperation between Asian countries in terms of energy resources, particularly oil and gas resources, is of important significance in maintaining sustainable and stable economic development in the region into the next century.

According to Li Dai, an expert with the Chinese Academy of Sciences and one of the advocates of the

bridge, the proposed continental oil bridge would link up oil and gas pipeline networks in eastern China, western China's Xinjiang Uygur Autonomous Region, Central Asian countries, Russia and Middle East countries.

Significantly, the continental oil bridge will extend via China to the Republic of Korea, Japan and China's Taiwan, and other major east Asia oil and gas markets.

A senior official with the State Planning Commission held that countries along the bridge are strongly reciprocal in import and export of oil and gas resources.

They noted that the proposed oil bridge will not only greatly increase the oil transport and trade volumes between eastern and western Asian countries, but will also smooth oil trade in Central Asian countries, and stimulate cooperation between these countries and Russia and China in terms of oil and gas exploration and development.

Experts at the State Scientific Research Institute of Petroleum Exploration and Development said that the construction of an oil passage between the eastern and western parts of China is expected to be speeded up by the concept of a continental oil bridge, which is forecast to develop an annual oil transport capacity of over 30 million tons.

They estimated that the proposed oil bridge will channel about one fifth of the total oil needs into the oil import countries and regions in east Asia.

Wang Tao, president of the China National Petroleum Corp (CNPC) said in an interview with XINHUA that basic conditions for the construction of the Asian Continental Oil Bridge are ripe.

According to the president, the key parts of the bridge: the laying of oil and gas pipelines between eastern and western parts of China, and gas pipelines between China and Russia and Central Asia is either under way or about to start.

The CNPC president said that he will head for Russia this month to sign formal contracts on co-building the gas pipelines extending from east Siberia to China.

Informed sources said that negotiations on building another gas pipeline running through Central Asian countries, China, the Republic of Korea and Japan have ended.

Moreover, laying oil and gas pipelines, running from Xinjiang to the eastern parts of China, is under full preparation with some local pipelines having already under construction.

PRC: Beijing To Host Major International Chemical Conference

OW1506093696 Beijing XINHUA in English
0815 GMT 15 Jun 96

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — Participants at the China Chemical Conference '96 will have chances to negotiate with Chinese major chemical products manufacturers on possible cooperation, technical transfer or trade opportunities, which is to be held here on September 19-20.

The conference, which focuses on areas closely related to such industries as automobile, electronics, food, paper-making, pharmaceuticals, building materials and environmental protection, is likely to be attended by most of the world chemical giants, including the Dupont, Bayer, Rhone-Poulenc, and Monsanto.

Senior Chinese officials, industry experts and executives of the international chemical giants will make speeches during the meeting and, meanwhile, a trade roundtable conference will also be held, so as to provide an unique opportunity for both domestic and overseas participants.

China's chemical industry has maintained a stable growth rate over the past couple of years, and the sector's output value is expected to double last year's figure to top 905 billion yuan by the year 2000, according to a report available most recently from the Ministry of Chemical Industry.

Meanwhile, the report also indicates, the fine and special chemicals will rise to 45 percent of the all chemical products to be manufactured in China from 35 percent at present.

The conference is co-organized by the XINHUA NEWS AGENCY, China's largest media conglomerate, and the Central Research Institute of Science and Technology under the Ministry of Chemical industry.

PRC: Global Cooperation Improves Earthquake Work

OW1606021396 Beijing XINHUA in English
0146 GMT 16 Jun 96

[FBIS Transcribed Text] Shijiazhuang, June 16 (XINHUA) — China is witnessing world-wide co-operation on earthquake studies, sending more than 6,000 scholars on academic exchanges over the past years.

Seismologist Chen Yong, academician from the Engineering Academy of China, said exchange and cooperation over the past years have greatly enlarged Chinese seismologists' vision, and helped improve the country's research on earthquake prediction, seismic engineering and disaster relief.

So far China has built up cooperation with over a dozen countries throughout the world, including the United States, Japan, France, Belgium, Germany, Australia, Turkey, Thailand and Russia, Chen said.

More than 6,000 Chinese seismologists have travelled abroad for training, lecturing and international conferences, and over 4,000 foreign experts have been invited to carry on research projects and academic exchanges, he added.

China has also organized and sponsored at least 30 international seismological symposiums, and joined world societies and associations in seismology and related sciences, such as ICGG [expansion unknown], ISC [expansion unknown] and IAEE [expansion unknown].

Chinese scientists have been active in a series of activities of "Ten Years' International Earthquake Relief" launched by the United Nations.

To improve the capability of earthquake relief, China has also imported a variety of advanced equipment and technology for earthquake observations and predictions.

United States & Canada

PRC: President Jiang Zemin Meets Two U.S. Delegations 14 Jun

OW1406132196 Beijing XINHUA in English
1243 GMT 14 Jun 96

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Chinese President Jiang Zemin met here this afternoon with two delegations from the United States.

One delegation is from the American Assembly, an intelligence organization specializing in the study of US foreign policy, led by former US Ambassador to China Leonard Woodcock.

The other is from the National Committee of American Foreign Policy, headed by its president George Schwab.

Jiang had friendly and frank talks with the US visitors during the meeting, which lasted one and a half hours.

US Ambassador to China James Sasser was among those present at the meeting.

The two delegations are here as guests of Chinese People's Institute of Foreign Affairs.

PRC: Official Reports Sino-U.S. IPR Consultation Continuing*OW1506104896 Beijing XINHUA Domestic Service in Chinese 0951 GMT 15 Jun 96*

["Sino-U.S. Official Consultation on the Issues of Intellectual Property Rights Continuing" — XINHUA headline]

[FBIS Translated Text] Beijing, 15 Jun (XINHUA) — Shi Guangsheng, Chinese vice minister of foreign trade and economic cooperation, and Acting U.S. Trade Representative Barshefsky began official consultation [zheng shi cuo shang 2973 1709 4322 0794] on the issue of intellectual property rights [IPR] in Beijing today.

The two believed that it is necessary to proceed from the overall situation of safeguarding the long-range interests of China and the United States and Sino-U.S. relations to resolve differences between the two sides on the IPR issue through consultation on equal footing to promote the further development of trade and economic relations between the two countries.

At the present, the consultation is still continuing.

Barshefsky arrived in Beijing on the evening of 14 June at the invitation of the Ministry of Foreign Trade and Economic Cooperation. According to a briefing, Barshefsky called on senior officials of the Ministry of Radio, Film, and Television, the Ministry of Culture, and the Press and Publications Administration this afternoon.

PRC: Sino-U.S. Negotiations Continue on IPR Issue*OW1506114596 Beijing XINHUA in English 1134 GMT 15 Jun 96*

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — China and the United States continued their official negotiations on the issue of intellectual property rights (IPR) here today.

Shi Guangsheng, Chinese vice-minister of foreign trade and economic relations, and Charlene Barshefsky, acting US trade representative, co-chaired today's negotiations.

The two sides agreed that proceeding from safeguarding Sino-US long-term interests and from the overall situation of their relations, the two countries should solve their differences on IPR issue through consultations on equal footing, in order to promote the development of bilateral economic and trade relations.

The Sino-US negotiations are still in process.

Barshefsky arrived here Friday night at the invitation of the Ministry of Foreign Trade and Economic Relations.

She met with leaders of the Ministry of Radio, Film and Television, the Ministry of Culture and the Press and Publication Administration this afternoon.

PRC: 'Source': Sino-U.S. Agreement on IPR Issue 'Likely'*OW1706042696 Beijing XINHUA in English 0422 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — As Chinese and US negotiators are making final efforts to avert a trade war, a reliable source here said an agreement between the two countries on the issue of intellectual property rights is likely.

The talks between Shi Guangsheng, China's vice minister of Foreign Trade and Economic Cooperation, and Charlene Barshefsky, acting US trade representative, are still going on here today.

The source disclosed that some progress have been made during their negotiations over the past two days.

PRC: Sino-U.S. IPR Consultations 'Positive,' 'Constructive'*OW1706110196 Beijing Central People's Radio Network in Mandarin 1030 GMT 17 Jun 96*

[From the "National Hookup" program]

[FBIS Translated Text] This report just in:

The Chinese delegation headed by Shi Guangsheng, vice minister of foreign economic cooperation and trade, and the U.S. delegation, headed by U.S. Acting Trade Representative Barshefsky continued their consultations [cuo shang] on issues of Sino-U.S. intellectual property rights [IPR] today.

It is understood that, during the consultations, the two sides comprehensively reviewed the implementation of the Sino-U.S. IPR agreement since its signing.

The consultations were still continuing when this report was dispatched. The atmosphere of the consultations was positive [ji ji di] and constructive [jian she xing di].

PRC: Acting U.S. Trade Representative Arrives in Beijing*OW1406164496 Beijing XINHUA in English 1638 GMT 14 Jun 96*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Acting US Trade Representative Charlene Barshefsky arrived here tonight by plane, cherishing the hope that the talks between the US and China can be "productive".

Barshefsky made the remark here tonight in her statement upon her arrival at the airport. She said that the two sides still have "very substantial work that remains to be done".

She said that she will be meeting with Chinese Vice-Premier Li Lanqing and other senior Chinese officials over the weekend to discuss China's implementation of the 1995 intellectual property rights enforcement agreement.

She went on to say that the US Government team has been in China over the past two weeks, and "we understand that China is undertaking new efforts to come in the compliance with the commitment it had made under the agreement. We are now in the process of working to fully understand the scope of the action".

It is learned that China and the US will hold talks in this regard Saturday.

PRC: Sino-U.S. Talks Resume 1 Hour Before Trade-War Deadline

OW1706040796 Hong Kong AFP in English
0338 GMT 17 Jun 96

[FBIS Transcribed Text] Beijing, June 17 (AFP) — Chinese and US negotiators appeared to be moving towards a resolution of their copyright dispute Monday [17 June], as they resumed talks just one hour short of a trade-war deadline.

Acting US Trade Representative Charlene Barshefsky made it clear that the Monday midday (0400 GMT) deadline was not flexible, as other sources on the US side indicated that a resolution had been reached in principle and only the wording of the agreement had to be finalized.

"We are pressing up against the deadline ... and the deadline will not be extended," Charlene Barshefsky said on leaving her hotel at 10:30 am (0230 GMT) to resume negotiations with Chinese Vice Foreign Trade Minister Shi Guangsheng.

The situation was a virtual replay of the same row last year that ended with the last-minute signing in February of a bilateral accord on intellectual property rights protection (IPR) — the very accord Washington now accuses Beijing of failing to enforce.

"There won't be an agreement like in 1995, but there will be an exchange of documents, and we are working on the language," said a source in Barshefsky's delegation.

With the passing of the Monday deadline, two billion dollars' worth of US trade sanctions are scheduled to come into effect, together with commensurate Chinese

counter-measures. Having talked through most of the night, both sides were tight-lipped about the eventual outcome of their discussions.

"We are certainly not giving up on the prospect of an agreement," a spokesman with the US trade delegation said, adding, however, that it was still "too early" to say a resolution had been found.

Barshefsky "is determined, as long as talks are moving in a positive direction, to move towards a resolution," he said, adding that "some issues remain outstanding."

Washington accuses China of failing to adequately enforce the 1995 IPR agreement and is demanding greater market access and tougher action against Chinese plants producing pirated music and software. According to a Chinese negotiator quoted by the China Daily on Monday, the US side was "still making strong demands over some issues."

"It is difficult to predict the end result," he said.

Following two days of talks between their deputies, Barshefsky and Shi took over the negotiations on Saturday.

At the beginning of their talks, Shi made it clear that Beijing remained firmly opposed to the use of sanctions.

"We hope that trade disputes can be solved through consultation based on equal footing and mutual benefit," Shi said.

"Any sanctions or other similar measures won't help settle problems and could only complicate them," he added.

PRC: Li Peng, U.S. General Motors President Meet 14 Jun

OW1406135096 Beijing XINHUA in English
1328 GMT 14 Jun 96

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Chinese Premier Li Peng said China and the United States should work together to eliminate disturbances in order to promote the smooth development of trade and economic cooperation.

He said this during a meeting here this afternoon with John Smith Jr., president of U.S. General Motors Corporation (GM).

Li said the U.S. is abundant in capital and advanced in technology, while China is the world's largest developing country and has found a successful road to development — a path which has led to a remarkable economic growth rate that is expected to continue in the future.

According to the premier, China and the U.S complement each other economically, taking market, capital and technology into consideration, and should therefore become partners. However, he noted, due to certain political problems, it is often difficult for them to reach the goal.

Li expressed his appreciation for Smith's advocacy that China should unconditionally be given a permanent Most Favored Nation status, saying that this "would be beneficial to both sides."

Smith said China has sustained a rapid economic growth for the past ten years and has effectively kept inflation under control, and called this "the greatest miracle of the current world".

According to the GM head, China, with its large market and well-educated labor force, is a cooperative partner. "We wish to further enhance our cooperation with China," he said.

General Motors is one of the world's largest automobile companies. Since 1992, it has set up 10 joint ventures in China.

PRC: Vice-Premier Li Lanqing Meets U.S Advertising Delegation

OW1406135996 Beijing XINHUA in English
1333 GMT 14 Jun 96

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Chinese Vice-Premier Li Lanqing met here today with John McGarry, chairman and CEO of Young and Rubicam Inc. of the United States, and his party.

Li said he is satisfied to see that Young and Rubicam, a leading US advertising company, has had very good cooperation with China in the past decade.

He added that such cooperation in the advertising industry is of great potentials.

Young and Rubicam Inc.'s joint-venture with a Japanese company, the Dentsu, Young and Rubicam Partnerships, in 1986 established with the China International Advertising Corp. China's first Sino-foreign advertising company — Dentsu, Young and Rubicam Advertising Co. Ltd.

McGarry and his party are here to attend an advertising seminar to mark the 10th anniversary of the founding of Dentsu, Young and Rubicam Advertising Co. Ltd.

PRC: Canada Helps Ningxia Hui Region in Fight Against Poverty

OW1606132396 Beijing XINHUA in English
1302 GMT 16 Jun 96

[FBIS Transcribed Text] Yinchuan, June 16 (XINHUA) — Canada is assisting poor areas in northwest China's Ningxia Hui Autonomous Region get rid of poverty by pushing for comprehensive development of agriculture, forestry and rural industry.

The anti-poverty program, based on a Sino-Canadian mutual fund and started in 1991, includes the cultivation of irrigated land, water conservancy projects, development of rural industry and improvement of maternity and child care.

Over 19,500 households in Xiji County, one of China's poorest areas, are expected to become better off soon through the exploitation of local natural resources.

The co-funded projects cost 22 million yuan, with nearly half of sum coming from Canada as economic assistance.

So far this year, the county has built 64 small pumping stations, bringing 2,000 ha. Of land under irrigation. As a result, the county is expected to collect an additional profit of more than 10 million yuan.

Pea production has become a pillar industry in the county. Vermicelli made of bean starch from township-run businesses have been sold to Guangdong, Zhejiang and Fujian provinces, in addition to Beijing and Hong Kong.

Central Eurasia

PRC: XINHUA: Kazakhstani President on Jiang Zemin Visit

OW1406120896 Beijing XINHUA in English
1144 GMT 14 Jun 96

[FBIS Transcribed Text] Alma Ata, June 14 (XINHUA) — The coming visit of Chinese President Jiang Zemin to Kazakhstan is of historical significance, said President of Kazakhstan Nursultan Nazarbayev today.

After viewing a photo exhibition "China, Yesterday and Today", which opens here this afternoon, Nazarbayev said the relationship between Kazakhstan and China is becoming ever closer and more friendly.

The exhibition, co-hosted by the Chinese Embassy here and the Ministry of Culture of Kazakhstan, displays more than 400 pictures on environment, Chinese customs, Chinese women, China's housing construction, China's plateau province Tibet and foreign businesses in China.

Nazarbayev noted that after the railways in Kazakhstan and China are linked up, Kazakhstan's goods can be transported to the Pacific region via China's railways and ports.

This reflects China's sincerity in establishing a friendly relationship with Kazakhstan, Nazarbayev said.

With the increase of such mutual trust, he added, any problems between the two countries can be resolved.

On Kazakhstan's policy on China, Nazarbayev said Kazakhstan is opposed to any forms of separatism, and supports the maintaining of a country's territorial integrity.

He affirmed that his country will never encourage any separatist activities.

He added that the fight against separatism is extremely important to China, a country with a population of 1.2 billion.

China has safeguarded the most important human rights by guaranteeing the provision of food and clothes to one fourth of the world's population, he stressed.

Chinese President Jiang will pay state visits to Spain, Norway, Romania, Uzbekistan, Kyrgyzia [as received] and Kazakhstan between June 23 and July 6.

It will be the first time for Jiang to visit Kazakhstan. Nazarbayev visited China twice in 1993 and 1995.

PRC: Jiang Zemin Meets Kyrgyz State Secretary

*OW1406160296 Beijing XINHUA in English
1511 GMT 14 Jun 96*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Chinese President Jiang Zemin said today that the frequent visits between leaders of China and Kyrgyzstan have promoted mutual understanding and trust, and greatly improved bilateral relations.

Jiang made the remarks here today while meeting with visiting Kyrgyz State Secretary I. Abdurazakov.

Sino-Kyrgyz ties have developed smoothly since the two countries established diplomatic relations four years ago, Jiang noted.

He added that his upcoming visit to Kyrgyzstan early next month will boost bilateral good-neighbor ties to a higher level.

The president said that China places great importance on the settlement of the Sino-Kyrgyz border issue.

According to the president, he and his Kyrgyz counterpart, Askar Akayev, agreed that the border issue should be resolved through the joint efforts of both sides, who

should be guided by mutual understanding and a respect for history in order to make the border a bridge that connects the two peoples by friendship.

Abdurazakov told Jiang that his country is looking forward to the visit by the Chinese president, which will aid bilateral ties and improve the two countries' relations.

He voiced the conviction that the visit would be a complete success and the border issue between the two countries would be solved satisfactorily through joint efforts.

Abdurazakov arrived here Tuesday on a working visit to China at the invitation of the Chinese Foreign Ministry.

PRC: Russian Deputy Foreign Minister Emphasizes Strategic Ties

*OW1406170296 Beijing XINHUA in English
1558 GMT 14 Jun 96*

[FBIS Transcribed Text] Moscow, June 14 (XINHUA) — A strategic partnership between Russia and China is the only way to safeguard the national interests of the two countries, a senior Russian Foreign Ministry official said today.

Aleksandr Panov, a deputy foreign minister, said such a partnership was born of reality and necessity and was not mere fantasy.

Panov, speaking at the opening session of a two-day Sino-Russian seminar on international issues, criticized those in the Russian media who said confrontation between the two countries is unavoidable.

Those who spread such views have never bothered to study China and Asia closely and know little about relations between Russia and China.

He said that he hopes an objective and accurate analysis and assessment on the development and future of Sino-Russian relations will emerge from the seminar.

Chinese Ambassador to Russia Li Fenglin said at the opening session the whole world is paying great attention to the development of relations between the two countries.

Li described the current state of Sino-Russian relations as the best and most healthy in the history of their bilateral relations.

At a time when international relations are undergoing profound and complicated changes and multi-polarization is emerging, China and Russia will contribute greatly to peace and stability in the world

if they cooperate over anti-hegemonism and power politics, the Chinese ambassador said.

PRC: XINHUA Previews Russian Presidential Election

*OW1506113996 Beijing XINHUA in English
1102 GMT 15 Jun 96*

["Backgrounder": "Russia's Presidential Election"]

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — About 105 million Russians will cast their votes Sunday [16 November] to select among 10 candidates a new president for the next four years.

This is the second presidential election in Russia, and the first since the disintegration of the former Soviet Union at the end of 1991.

Russia's first presidential election was held in June 1991 under the Soviet election law, in which the then 60-year-old Boris Yeltsin was elected with 57 percent of the votes.

Under the Russian Federal Constitution, and Russia's presidential election law approved by the State Duma (lower house of parliament) in March 1993, any Russian citizen above the age of 35 who has lived in the country for more than 10 successive years is qualified to hold the office of president.

Any political party or group can nominate a candidate, whose candidacy must be supported by petitions signed by the minimum of 1 million voters.

If no candidate gets an overall majority of votes in the June 16 election to win the presidency, the two leading candidates will go forward for a second round of voting, probably on July 7 or July 14.

So far, there are 10 candidates competing for the presidency, with the incumbent President Boris Yeltsin and Communist Party leader Gennadiy Zyuganov well ahead of other candidates in opinion polls.

Other candidates are nationalist Vladimir Zhirinovskiy, economist Grigoriy Yavlinskiy, eye surgeon Svyatoslav Pyodorov, paratroop general Aleksandr Lebed, former Soviet leader Mikhail Gorbachev, parliamentarian Vladimir Briyntsyalov, political scientist Martin Shakhum and writer Yuri Vlasov.

As the incumbent president, Yeltsin, 65, who has years of experience in politics, has support from Prime Minister Viktor Chernomyrdin with his party "Our Home Is Russia", local and central government officials, business and financial circles, and part of the "democrats."

On the other hand, Zyuganov, 52, as leader of Russia's largest party, the Communist Party which groups

500,000 members across the country, is supported by the "National-Patriotic Bloc", which is backed by traditional Communist Party members, low-income earners and dissidents of current policies.

Opinion polls show that Yeltsin and Zyuganov, neither of whom would likely receive half the votes in Sunday's voting, will have to enter a second round in July, in which voters for other candidates play a key role.

As neither Zhirinovskiy nor any from the "third force", which is formed by Yavlinskiy, Lebed and Fyodorov, is likely to have the opportunity to enter the second round, how their supporters will cast their votes in the second round will greatly influence the results of the election.

Both Yeltsin and Zyuganov attempted to seek support from Zhirinovskiy, and the "third force", which, however, claims that it favors neither Yeltsin nor Zyuganov.

Under the election law, the second round will be announced invalid if more voters select the "against all candidates" box in the ballot paper than vote for the leading contender.

If either participant withdraws from the second round, he is replaced by the candidate who scored the third highest number of votes in the first round.

If no one wins the second round, a second presidential election will be held four months after the first round of voting.

According to the election law, the president-elect shall be sworn in 30 days after the Central Electoral Commission announces the final results. The president-elect shall submit to the State Duma the nomination of the prime minister within 14 days and the Duma shall review it within 7 days.

In case the poll is ruled invalid by the Commission, the incumbent president will continue to assume his office.

PRC: XINHUA: Polling Stations Open in Russian Far East

*OW1506235496 Beijing XINHUA in English
2225 GMT 15 Jun 96*

[FBIS Transcribed Text] Moscow, June 15 (XINHUA) — Residents of the Chukotka region, in Russia's Far East, today flocked to the polling stations to cast their ballots in Russia's nationwide presidential election on June 16, reports reaching here said.

Starting in Chukotka in Russia's Far East, the "election marathon" will last 24 hours and wind up in Russia's "far West," in the Kaliningrad region on the Baltic Sea.

According to the elections law, the doors of over 93,000 polling stations should be open from 08:00 to

22:00 local time across the country for the total of 106.4 million voters plus over 520,000 Russian citizens, temporarily or permanently living abroad, who will be able to cast their ballots at 402 polling stations in 146 countries of the world.

The voters will have to choose between 10 candidates competing for the highest state post in the country. Initially 11 were registered, but communist candidate Aman Tuleyev quit the race four days ahead of the polls and called on his supporters to back communist leader Gennadiy Zyuganov.

The top five candidates include incumbent President Boris Yeltsin, 65; Communist Party leader Gennadiy Zyuganov, 52; ultra-nationalist leader Vladimir Zhirinovskiy, 50; liberal economist Grigoriy Yavlinskiy, 44; and law and order advocate retired General Aleksandr Lebed, 46.

To win in the first round, a candidate must get an overall majority of votes. If none succeeds, the two leading candidates proceed to the second round to be held no later than within 15 days after the first round.

Most experts believe that only two candidates, Yeltsin and Zyuganov, are indisputable leaders of the presidential race, and say that Yeltsin is too optimistic about winning the elections at one stroke and the second round is inevitable.

The Central Election Commission stated earlier today that it will count all votes very meticulously and accurately in the presence of thousands of observers, including 2,000 confidants of the ten presidential candidates and over 1,000 foreign observers as well as reporters.

PRC: XINHUA 'Backgrounder' Says Yeltsin 'Most Hopeful' Candidate

OW1606062996 Beijing XINHUA in English
0535 GMT 16 Jun 96

["Backgrounder: Most Hopeful Presidential Candidate — Yeltsin"]

[FBIS Transcribed Text] Moscow, June 16 (XINHUA) — Russian President Boris Yeltsin, who is eager to win re-election in today's nationwide polls, has been seen here as the most hopeful among all the 10 presidential candidates.

Yeltsin was born into a peasant's family on February 1, 1931 in a village of Butka in the Sverdlovsk region.

He graduated from the Urals Polytechnical Institute in 1955 as a building engineer and then worked as a foreman, work superintendent, chief engineer at construction enterprises in Sverdlovsk and chief of the Sverdlovsk house-building complex.

He joined the Communist Party of the Soviet Union (CPSU) in 1961 and quit in 1990 at its 28th congress.

From 1968 to 1987, Yeltsin worked as party functionary: chief of the construction department, secretary of the Sverdlovsk regional committee of the CPSU, first secretary of the Sverdlovsk regional committee of the CPSU, secretary of the CPSU Central Committee and first secretary of the Moscow city committee of the CPSU.

In October 1987, he was relieved of his duties both as party Central Committee secretary and Moscow party boss by the then party leader Mikhail Gorbachev.

In 1990-1991, he was elected chairman of the Supreme Soviet of the Russian Federation. In June 1991, he, for the first time in Russia's history, was elected president of the Russian Federation by nationwide voting, with 45,552,041 voters, or 57.3 percent of the electorate, casting their ballots for him.

He is married to Naina Yeltsina and has two daughters, Yelena and Tatyana, and four grandchildren.

On May 31, Yeltsin set out the basic principles of his election program entitled "Russia: man, family, society, state."

The main theses of his election program can be formulated as follows:

— The effort to combat poverty and ensure economic growth. He believes that by the year 2000 the annual inflation rate will drop to 5 percent, which will make it possible "to arrest price rises and ensure prosperity of Russian families." He promises that the rouble will become hard currency by the year 2000 and that "the economy will be on the upturn with an annual growth of more than 4 percent."

— The protection of the family, motherhood and childhood. "The living standards and protection of children's rights should be an important criterion of our development."

— The development of culture, education and science.

— The effort to combat crime and corruption.

A separate section in the presidential election program is devoted to a settlement of the conflict in Chechnya.

Yeltsin faces a strong challenge from Communist Party leader Gennadiy Zyuganov in running for the presidency. Opinion polls indicate they are in a very close race.

If he fails to win outright in the first round of the election, Yeltsin does not rule out "various forms of

cooperation" with other opponents-candidate including retired General Aleksandr Lebed and liberal economist Grigoriy Yavlinskiy.

PRC: XINHUA 'Backgrounder' on Russian Candidate Zyuganov

OW1606063196 Beijing XINHUA in English
0521 GMT 16 Jun 96

["Backgrounder: Zyuganov — Yeltsin's Major Election Rival"]

[FBIS Transcribed Text] Moscow, June 16 (XINHUA) — Russian Communist Party leader Gennadiy Zyuganov, one of the 10 presidential candidates facing decisive elections today, is seen as the major rival for President Boris Yeltsin in the race for the Kremlin.

Zyuganov was born on June 26, 1944 into a teacher's family in Myrmino village of the Oryol region.

The communist leader, who has a PhD degree, was educated at the Oryol State Pedagogical Institute and the Academy of Social Science at the Central Committee of the Communist Party of the Soviet Union (CPSU) in 1980.

From the age of 23, he started working with the Soviet Young Communist League and the Communist Party. He had been chief of the propaganda department of the Oryol regional committee of the CPSU and deputy chief of the ideology department of the CPSU Central Committee.

In 1990-1991 he was member of the party's powerful politburo and secretary of the party's Central Committee. Soon after August 19 incident in 1991, he became one of the chief founders of the "joint opposition" and a prominent ideologist in the then Supreme Soviet of the Russian Federation.

In 1993, he became the leader of the Russian Communist Party. He is concurrently the leader of the parliamentary group of the Communist Party, the biggest faction in the State Duma (lower house of the parliament).

He fathers a daughter and a son.

Zyuganov's election program emphasizes the "social aspect." He promised "legislative guarantees for the subsistence wage, for the right of all citizens to work and fair remuneration, to rest and housing, to free education and medical services and to a dignified old age."

Just as all other candidates, Zyuganov promises to end the war in the breakaway republic of Chechnya and to prevent new armed conflicts in Russia's territory. He

also gives much attention to combating organized crime and corruption.

He advocated the restoration of ties among former Soviet republics, especially ties among Russia, Ukraine, Belarus and Kazakhstan, which, in his opinion, will lay down the foundation for voluntary restoration of a union state.

In the political area, Zyuganov stresses the need for amendments to the Constitution limiting powers of the President and meanwhile expanding powers of the parliament. He deems it necessary to "hold direct elections of chiefs of the local administration" following the presidential elections.

He also offered "a broad compromise" among all political groups if he should win the elections.

He is in favor of a "multistructural economy" and supports investment in "the most rapidly developing areas, regardless of the form of economic management."

Zyuganov, who represents the popular patriotic election bloc, is expected to get more votes even than Yeltsin in today's polling, but is hard to win more than 50 percent of the votes, which will enable him to get into the Kremlin.

If none of the candidates win a majority of the votes today, which is seen almost certain by analysts, Zyuganov will probably have to face Yeltsin in the second round, in which his chances of victory is expected to be slim.

Under Russia's election law, a second round of voting should be held within 15 days after the official announcement of the results of the first round. For this year, a second round, if it should happen, is likely to be held on July 7 or 14, said the ITAR-TASS News Agency.

PRC: XINHUA: Yeltsin Concerned Over Low Voter Turnout

OW1606234396 Beijing XINHUA in English
1919 GMT 16 Jun 96

[FBIS Transcribed Text] Moscow, June 16 (XINHUA) — Russian President Boris Yeltsin expresses concern over a low turnout in today's presidential elections, while his main rival, Communist Party leader Gennadiy Zyuganov, sees the ongoing polls as fair.

Vyacheslav Nikonov, chief analyst of the all-Russia movement for the support of Yeltsin, told a news briefing this evening that both Yeltsin and Prime Minister Viktor Chernomyrdin had expressed concern over the low turnout in the polls.

The low turnout might "create problems for the incumbent president," Nikonov explained, noting that the turnout across the country was substantially lower than in the parliamentary elections last December.

According to him, pre-election opinion polls had predicted a higher turnout. They forecast that 70 percent of the voters would take part. However, the real figures are lower.

He related the sluggish voting to the fair weather and the carelessness of Yeltsin's supporters, who are exceedingly sure of his victory. Backers of other contenders decided not to come out because they thought that their candidates would not win the necessary number of votes, he added.

The analyst called on the mass media to use all available methods for the improvement of turnout, declaring alarm about Russia's fates.

However, "the Russian presidential elections may be considered valid," Dmitriy Oreshkin, analyst of the Federal Center of Information, said.

A total of 56,526,957 voters, which was more than 50 percent of the electorate, had participated in the polls by 18:00 Moscow time (1400 GMT), he said, adding that the number of voters seemed to have increased since then.

Speaking at a news briefing here, Zyuganov said, "The elections are so far going on successfully and satisfactorily, there are some drawbacks, but there are no serious irregularities."

Violations usually take place during the vote counting, he said, adding that 200,000 observers of his party had been instructed to strictly stick to the election law.

Zyuganov assured that "no unrests are expected and there may not be from his supporters after the election." "We are the most law-abiding people," he added.

PRC: XINHUA: Russian Elections Declared Valid, Yeltsin Leading

*OW1606234496 Beijing XINHUA in English
2110 GMT 16 Jun 96*

[FBIS Transcribed Text] Moscow, June 16 (XINHUA) — Russia's Central Electoral Commission declared today's presidential elections "valid" as over half of registered voters across the country took part in the polls.

The commission also said that current President Boris Yeltsin has a lead in the elections in the Russian Far East.

According to preliminary data, 56,526,957 persons have taken part in the elections, which is 53.12 percent of the overall number of the country's electorate.

The commission quoted the voting's preliminary results fixed by 23:00 Moscow time (GMT 1900) as saying that Yeltsin leads with 32.3 percent of the votes, closely followed by Communist Party leader Gennadiy Zyuganov with 29.14 percent.

Retired general Aleksandr Lebed, who stands for law and order as well as for a strong Russia, runs definitely third with 15.87 percent.

Ultra-nationalist leader Vladimir Zherinovskiy and liberal economist Grigoriy Yavlinskiy have 9.55 and 8.42 percent of the votes respectively.

Five other candidates are far behind.

Returns suggest that Yeltsin's vote is above 40 percent in Vladivostok and Nakhodka, the largest cities of the Maritime territory, the Russian Far East.

The overall preliminary results of the nationwide polls are expected to be declared Monday morning.

Some experts here believe none of the 10 candidates can get more than 50 percent of the votes and the second round of the polls will be held, with two candidates, who got the greatest number of votes, standing for elections.

PRC: Russian Ambassador to PRC Interviewed on Heilongjiang

*SK1706071796 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 15 Jun 96*

[Announcer-read report]

[FBIS Translated Excerpt] On the morning of 15 June at Swan Hotel, Russian Ambassador to China Rogachev, who came to Harbin to attend the Seventh Harbin Trade Fair, was interviewed by the reporters from several Chinese press units.

Ambassador Rogachev visited Harbin for several times and took part in the Harbin trade fairs for four times. He spent a period of time in Harbin in his childhood. [passage omitted]

A reporter asked Ambassador Rogachev in which spheres Harbin should further improve in order to develop itself into an international economic and trade city.

He answered: I think that Harbin should provide a better service for tourists and make the service in this aspect attain the internationally highest level. What I mean is services in the areas of hotels, transportation, and civil aviation. In addition, the improvement of

communications facilities is also necessary. I believe that both Harbin and Heilongjiang Province are able to make improvements in these aspects. Through the developments over the past seven years, Harbin has turned the nature of its trade fair from the border and local trade at the very beginning to the international economic trade.

A reporter asked Ambassador Rogachev his views on the orientation for developing the Harbin trade fair.

He answered: First of all, I am very glad to see that Harbin has elevated its trade fair to a new height. The Far East of the Russian Federation is comparatively backward. Now, we are thinking of ways to take part in the program for coordinately developing the Asian and Pacific region. The Harbin trade fair will play a role in helping promote the realization of this goal. More than 50 countries have participated in this trade fair. They are our partners as well as your partners. So, the Seventh Harbin Trade Fair has been greatly welcomed by us.

Northeast Asia

PRC: General Fu Quanyou Leaves for Visit to Mongolia

*OW1506131196 Beijing XINHUA in English
1307 GMT 15 Jun 96*

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — General Fu Quanyou, chief of the general staff of the Chinese People's Liberation Army, left here to pay an official and goodwill visit to Mongolia today at the invitation of his Mongolian counterpart Major General R. Gawa.

PRC: PLA General Visits Ulaanbaatar, Meets Mongolia Counterpart

*OW1606133596 Beijing XINHUA in English
1306 GMT 16 Jun 96*

[FBIS Transcribed Text] Ulaanbaatar, June 16 (XINHUA) — The Chinese People's Liberation Army (PLA) will make efforts to consolidate and develop the friendship between the armed forces of China and Mongolia, visiting Chinese general Fu Quanyou said here today.

Fu, member of China's Central Military Commission and Chief of General Staff of the PLA, made the remarks when meeting with Rashnaagyn Gawa, Chief of General Staff of the Armed Forces of Mongolia.

China has always attached great importance to developing the Sino-Mongolian good-neighborly relations on the basis of the Five Principles of Peaceful Coexistence, he said.

Gawa, also Mongolia's Vice Defense Minister, expressed his greetings to the visiting Chinese military

delegation, saying that the visit will help promote mutual understanding between the peoples and the armed forces of the two countries.

The vice defense minister reiterated that Mongolia will continue to insist on its "One China" policy, regarding Taiwan as an inalienable part of China.

Both generals agreed that Chinese Premier Li Peng's Mongolia visit in April 1994 and Mongolian Prime Minister Puntsagiyn Jasray's tour of China earlier this year have promoted understanding and trust between the two peoples, opening wider vista for bilateral exchange of cooperation in various fields.

Fu, who arrived here Saturday for a six-day visit, will also meet with Mongolian President Punsalmaagiyn Ochirbat and Defense Minister Shagalyun Jadambaa.

PRC: CPC Official on 'Importance' of Stronger Sino-DPRK Ties

*OW1506144196 Beijing XINHUA in English
1430 GMT 15 Jun 96*

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — A senior official of the Chinese Communist Party (CPC) said here today that it is of particular importance to further strengthen the relations between China and the Democratic People's Republic of Korea (DPRK) under the current international situation.

Wei Jianxing, member of the Political Bureau and Secretariat of the CPC Central Committee, made this remark when he met with a delegation from NODONG SINMUN, a leading newspaper of the DPRK.

During the meeting, Wei praised the NODONG SINMUN for maintaining friendly contacts with China's PEOPLE'S DAILY [RENMIN RIBAO] for many years. He added that he hopes the press circles of the two countries further expand their exchanges.

Wei also briefed the visitors on China's economic and political situation as well as the Ninth Five-Year Plan and the long-term goals for the year 2010.

The delegation, headed by Kang Tok-so, deputy director of the NODONG SINMUN, arrived here Friday at the invitation of the PEOPLE'S DAILY.

PRC: XINHUA Cites NODONG SINMUN on U.S. Policy of 'Strength'

*OW1506063096 Beijing XINHUA in English
0608 GMT 15 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 15 (XINHUA) — The attempt by the United States to strangle the Democratic People's Republic of Korea (DPRK)

with a policy of "strength" remains unchanged, and therefore the citizens of the DPRK have been put on high alert, the country's leading newspaper said today.

Commenting on recent maneuvers by U.S. troops stationed in South Korea and Japan, Nodong Sinmun, the mouthpiece of the Workers' Party of Korea, said that continuing U.S. military exercises against the DPRK indicate clearly that it is the U.S. that is aggravating tensions in and around the Korean peninsula.

The newspaper warned that the United States is wrong to think that with strength it can do as it pleases.

The newspaper said Washington should abandon its policy of "strength" and make a wise choice by withdrawing its troops from the Korean peninsula and surrounding areas.

PRC: Wei Jianxing Meets DPRK NODONG SINMUN Delegation

SK1706042596 Beijing China Radio International in Korean 1100 GMT 16 Jun 96

[FBIS Translated Text] Comrade Wei Jianxing, Politburo member of the CPC Central Committee and member of the party Secretariat, met with a DPRK NODONG SINMUN delegation headed by its Deputy Editor-in-Chief Comrade Kang Tok-so at the Great Hall of the People on 15 June. Comrade Wei Jianxing welcomed the NODONG SINMUN delegation's visit to the PRC and positively assessed that PRC-DPRK relations are developing. He also said it is very significant to constantly strengthen and develop relations between the two countries in today's complicated international situation. The DPRK's NODONG SINMUN delegation arrived in Beijing on 14 June for an eight-day visit at the invitation of the PRC's RENMIN RIBAO.

Near East & South Asia

PRC: Iraqi Health Minister Briefs Friendship Group on Conditions

OW1506235196 Beijing XINHUA in English 1848 GMT 15 Jun 96

[FBIS Transcribed Text] Baghdad, June 15 (XINHUA) — Iraqi Health Minister Umid Midhat Mubarak today briefed a visiting Chinese delegation on the frustrating health status in Iraq caused by the nearly six years of U.N. sanctions.

The four-member delegation, headed by Xu Qun, vice-president of the Chinese People's Association for Friendship with Foreign Countries, arrived here Friday [14 June] for a two-day visit to Iraq at the invitation of Iraqi-Chinese Friendship Society.

The Chinese delegation visited a hospital for gynecology and pediatrics in Baghdad, getting acquainted with the acute shortage of medicine in the country and serious malnutrition among Iraqi women and children.

Deputy speaker of Iraq's National Assembly (parliament) Ghanim Aziz Khadori [name as received] also received the Chinese delegation.

During the meeting, both sides expressed their desire to promote the traditional friendly relations between the two countries as well as the two parliaments.

The Chinese delegation will also visit Syria and Cyprus after the trip here.

PRC: Jiang Zemin Meets Lebanese Prime Minister
OW1406165496 Beijing XINHUA in English 1556 GMT 14 Jun 96

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Chinese President Jiang Zemin said here today that China has closely followed the development of the situation in the Middle East, and it believes the peace process in the region would see new progress through the joint efforts of the parties concerned.

He made the remarks during a meeting here this afternoon with visiting Lebanese Prime Minister Rafiq al-Hariri and his party.

Jiang said Lebanon is an ancient civilization nearly four thousand years old, and the Lebanese people have built their country into a center of trade, finance and tourism in the Middle East.

The current government of Lebanon is carrying out a good-neighbor foreign policy, and has made unremitting efforts to safeguard its sovereignty and territorial integrity, Jiang said, adding that Lebanon has made great progress in curing its war wounds and rebuilding the country.

China hopes the Lebanese people will continue to make progress in building their country, Jiang said.

The Chinese president expressed his belief that the current China tour by Al-Hariri, the first China visit by a Lebanese prime minister since the two forged diplomatic relations in 1971, would contribute to the growth of Sino-Lebanese ties.

China and Lebanon have cooperated well in international affairs and other areas, Jiang said, adding that such cooperation holds bright prospects, since a solid foundation exists for the development of bilateral links.

He emphasized that China values its friendship with Lebanon and is willing to enhance bilateral relations on the basis of mutual respect and mutual benefit.

Al-Hariri told Jiang that the entire Arab world admires China and that President Jiang Zemin is widely respected by the Arab people.

He said that Lebanese-Chinese relations have developed smoothly. China has consistently supported Lebanon in the United Nations, as well as on other international occasions, while Lebanon has also supported China for its territorial integrity and its reunification, he added.

Al-Hariri voiced his conviction that the two countries' mutual assistance will continue to grow.

Touching on the Middle East issues, Jiang said that China has closely followed the situation in the region and it respects the role that Lebanon plays in resolving the Middle East issues. China appreciates Lebanon's principled stance that peace in the Middle East should be established through peace talks.

He reiterated that China supports the efforts made by Lebanon, Palestine and other Arab nations to recover their occupied territory, and it would continue to make efforts to help promote the progress of the Middle East peace process.

Al-Hariri said that his country believes that peace will benefit its people, and he expressed the hope that China will play a bigger role in the Middle East peace process.

Prime Minister al-Hariri and his party arrived here Thursday on a four-day official visit to China as guests of his Chinese counterpart Li Peng.

Al-Hariri and his party will also travel to Shanghai, China's largest economic center.

PRC: Lebanese Prime Minister Arrives in Shanghai
OW1506134396 *Beijing XINHUA in English*
1334 GMT 15 Jun 96

[FBIS Transcribed Text] Shanghai, June 15 (XINHUA) — Lebanese Prime Minister Rafiq al-Hariri arrived here this evening from Beijing to continue his official visit to this country.

In a meeting with the Lebanese prime minister, Mayor Xu Kuangdi said Shanghai is willing to strengthen economic cooperation and trade ties as well as people-to-people exchanges with Lebanon.

Prime Minister al-Hariri said he is happy to have the chance to visit Shanghai, China's largest city. He expressed admiration over this city's remarkable achievements in reforms and opening to the outside world.

In an interview with XINHUA before leaving Beijing for Shanghai, al-Hariri said his current visit has paved

the way for the further development of bilateral relations.

He added that the purpose of the visit, which is to enhance bilateral economic relations in particular, has been achieved.

PRC: Accords Signed, 50-Million-Yuan Loan Given to Lebanon

NC1506181496 *Beirut Radio Lebanon in Arabic*
1530 GMT 15 Jun 96

[FBIS Translated Excerpt] Prime Minister Rafiq al-Hariri will end his official visit to China tomorrow afternoon and will leave Shanghai for Japan on a brief working visit. In Japan he will meet the Japanese prime minister and the foreign and economy ministers to discuss the Middle East and bilateral ties. [passage omitted]

Al-Hariri traveled today from Beijing to Shanghai, where he met the city's mayor at his residence tonight in the presence of the ministerial and official delegation accompanying him. [passage omitted]

The accords Prime Minister al-Hariri has signed with Chinese officials deal with economic and technical cooperation, air transport, trade, and the protection of mutual investments. [passage omitted]

The economic, trade, and technical cooperation agreement signed between Lebanon and China calls for cooperation in the following areas: Encouraging the establishment and development of trade, engineering, industrial, agricultural, animal, and technical development projects; encouraging the exchange of various commodities and products; and encouraging the exchange and training of experts and technicians needed for specific projects and exchanging information about such projects. [passage omitted]

The Lebanese and Chinese sides agreed to follow the implementation of this accord through the Lebanese Economy Ministry and the Chinese Ministry of Trade and Economic Cooperation by forming a joint committee for economic, trade, and technical cooperation. The committee is to meet alternately in Beijing and Beirut once a year or on request by either side. [passage omitted]

The Chinese Government has extended an interest-free loan to the Lebanese Government worth 50 million yuan. The loan is to be used within five years from 1 July 1996 to 30 June 2001. The Lebanese Government will repay the loan in installments and through Lebanese exports to be agreed upon by the two sides or in convertible currency in five years from 1 July 2006 to 30 June 2011.

PRC: Lebanese Prime Minister Ends Visit, Leaves for Tokyo

OW1606130396 Beijing XINHUA in English
1236 GMT 16 Jun 96

[FBIS Transcribed Text] Shanghai, June 16 (XINHUA) — Lebanese Prime Minister Rafiq al-Hariri left here this afternoon for Tokyo by special plane, winding up his official visit to China.

Among those seeing Hariri off at the airport were Shanghai Vice-Mayor Zhao Qizheng and chairman of the Chinese government reception committee Liu Xiliang, who is Vice-Minister of Radio, Film and Television.

Al-Hariri flew here from Beijing Saturday, when Shanghai Mayor Xu Kuangdi met with and hosted a banquet in honor of the Lebanese visitors.

On the occasion, both Xu and al-Hariri expressed the hope to advance bilateral economic and trade co-operation.

The Lebanese prime minister toured the Pudong New Area in Shanghai today.

PRC: XINHUA Examines Kathmandu's Reaction to Corruption Scandal

OW1606122796 Beijing XINHUA in English
1201 GMT 16 Jun 96

["News Analysis" by Chen Anning, Cao Weiguo: "Nepali Government Faces Test of Resolve Against Corruption"]

[FBIS Transcribed Text] Kathmandu, June 16 (XINHUA) — The Nepali Government is facing a test of its resolve to fight against corruption as details about a 36 million US dollar banking scandal have been in its hands for a week.

A special investigation panel last Sunday [9 June] submitted a report to the Finance Ministry, revealing a series of financial frauds in which fraudulent businessmen transferred a large amount of foreign currency by forging letters of credit (LC's) in local commercial banks during a 15-month period.

More than 36 million dollars worth of foreign exchange had been swindled out of the country through the fake bank documents during the period and some 510 million rupees (less than 10 million dollars) of national revenue was lost as the businessmen bypassed the customs with forged clearance documents while dealing in imports, the report said.

After receiving the report last Sunday, Finance Minister Ram Sharan Mahat said that the government would take

strong action against those found guilty soon. He also promised to make the panel report public at an earliest date.

According to the local press, the report indicated that about 60 individuals, including import dealers and bank clerks, and 78 trading firms were involved in the scandal.

Lava Raj Sharma, chairman of the investigation panel and a veteran banker, said that on the basis of the report the government could "file legal cases against the guilty."

Though the report has not pointed to any government official directly, it gave a list of all LCs signed illegally by government officials. Local newspapers hinted that some political leaders were also involved in the case.

Despite the Finance Minister's promise to publicize the scandal report as soon as possible, he even failed to table it to a cabinet meeting Thursday, raising suspicions among the local press over the government's resolve to take action against those accused by the report.

However, the government has managed to prevent those found guilty in the report from fleeing the country last week by putting immigration officers on full alert at border check points.

It was reported that the government had issued arrest warrants against the suspects mentioned in the report but so far none of them was taken into police custody.

Finance Minister Mahat Friday at a press conference declined to name those involved in the case and disclose any timetable for legal action against them, raising concern that government's delay in action could give time for the culprits to escape.

Last August, an import dealer named Ram Kumar Agrawal, who had cheated the state-run Nepal Baniyya (Commercial) Bank of 1.6 million dollars, fled the country with his family. His case led the LC frauds to come to the light.

Generally traders doing import and export business deal through letter of credit as it is supposed to be the most secure payment system. But the recent LC scandal in Nepal has raised doubts over the management of banking system and the implementation of related government regulations in the country.

Prime Minister Sher Bahadur Deuba has pledged to control the rampant corruption in Nepal and initiated an anti-corruption campaign last month by ordering his cabinet members and other high-ranking officials to account for their personal property on a regular basis.

"It is time for the prime minister to show his commitment to fighting corruption," a local political observer said.

"In Nepal businessmen have intimate relations with the political circles. Politicians need businessmen's financial help in their elections. It would be a thorny task for the government to tackle the LC issue," he said on condition of anonymity.

As the new parliament session is to begin later this month, whether the government's hesitant reaction to the recently-exposed scandal would affect its future is yet to be seen, while the main opposition Communist Party of Nepal (UML) earlier vowed to overthrow the present coalition government led by the Nepali Congress (NC) in the forthcoming session.

PRC: XINHUA Interviews Palestinian Envoy Prior To 'Arafat Visit

*OW1606065996 Beijing XINHUA in English
0647 GMT 16 Jun 96*

[FBIS Transcribed Text] Beijing, June 16 (XINHUA) — Palestinian President Yasir 'Arafat's coming visit to China is of great importance, Palestinian Ambassador to China, Mustafa al-Safarini, said here shortly.

The Palestinian leader is to begin his visit tomorrow, and he is expected to discuss the latest developments of the Middle East peace process and exchange views with Chinese leaders, the ambassador said at an interview with XINHUA.

This will be 'Arafat's 10th visit to China and its importance lies in the fact that it comes after the Israeli election and several days ahead of an Arab summit, the ambassador added.

China has been consistent in supporting the Middle East peace process, he noted. Therefore, he said, the Middle East peace process, the situations of Arab nations and Palestine, as well as the latest developments of the peace process and their reactions will be the focal points of the discussions between leaders of the two countries.

The ambassador said 'Arafat will also discuss with Chinese leaders on Palestine's reconstruction and explore ways of advancing bilateral economic and trade relations.

Speaking of the Arab summit to be held in Cairo from June 21, the ambassador said that Palestine has made it clear that it will support and adhere to the bases of the Middle East peace process, namely all international resolutions safeguarding the legal rights of the Palestinian people, the principle of "land for peace",

as well as the agreements concluded between Palestine and Israel.

"What we will appeal for at the Arab summit is peace," the ambassador said. "A lasting and comprehensive peace is the legal rights of the Palestinian people and all agreements signed by Palestine and Israel."

Sub-Saharan Africa

PRC: Jiangxi Corporation Signs Contract With Ethiopian State

*OW1506002096 Beijing XINHUA in English
2011 GMT 14 Jun 96*

[FBIS Transcribed Text] Addis Ababa, June 14 (XINHUA) — A Chinese corporation will construct a 1.59-million-U.S.-dollar Elbayeh irrigation project in Ethiopia's Somali National Regional State.

A contract for the construction of the project between China Jiangxi Corporation for International Economic and Technical Cooperation and Ethiopia's Somali National Regional Government to this effect was signed here recently.

According to the contract, the project will irrigate 500 hectares of land and will be completed within one year.

Ethiopian Vice-Minister of Water Resources Abdurashid Dulene Rafti, Vice-President of Somali Regional State Abdulahi Hassen and project official in the prime minister's office Lusse Guid as well as Chinese Economic and Commercial Counsellor Liu Xinhui attended the signing ceremony.

PRC: Guinean President Arrives in Beijing

*OW1706042996 Beijing XINHUA in English
0400 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — Lansana Conte, president of the Republic of Guinea, arrived here at noon today for a four-day official visit, at the invitation of Chinese President Jiang Zemin.

Chen Minzhang, chairman of the Chinese government reception committee and minister of Public Health, and Kong Minghui, Chinese ambassador to Guinea, greeted the Guinean guests at the airport.

This is Conte's second visit to China.

PRC: Rwandan President Visits Southwest China Province

*OW1306145696 Beijing XINHUA in English
1334 GMT 13 Jun 96*

[FBIS Transcribed Text] Guiyang, June 13 (XINHUA) — Rwandan President Pasteur Bizimungu left here for

east China's Hangzhou today after a two-day visit in southwest China's Guizhou province.

Bizimungu, his wife and party, arrived here Tuesday from Beijing. On Wednesday, the president had a meeting with Guizhou's Governor Chen Shineng.

During his stay here, Bizimungu toured a local fertilizer factory and a project of water and soil conservation.

He told local officials that the province's experience in these aspects can be helpful to Rwanda, which is also a agriculture country.

The Rwandan guests also visited the renowned Huang-guoshu Falls and other scenic spots in this province.

On Wednesday night, Governor Chen hosted a banquet in honor of the Rwandan president and his party.

PRC: Rwandan President in East China's Zhejiang Province

*OW1306150596 Beijing XINHUA in English
1350 GMT 13 Jun 96*

[FBIS Transcribed Text] Hangzhou, June 13 (XINHUA) — Rwanda's President Pasteur Bizimungu today toured a small-scale hydropower project in Zhejiang, a province in east China.

President Bizimungu also had a meeting with some local experts on hydropower engineering.

In a meeting with provincial officials, the Rwandan head of state said he hopes the province can offer help to his country in hydropower technology and business administration.

According to local officials, there are 2,565 small-scale hydropower stations in the 66 counties in Zhejiang province. The annual average generating ability of these stations totals 2.5 billion KWh.

This evening, Zhejiang's Governor Wan Xueyuan hosted a banquet in honor of the Rwandan visitors.

President Bizimungu and his party arrived here earlier today after visiting southwest China's Guizhou province. They are scheduled to leave here for China's largest city Shanghai tomorrow morning.

PRC: Rwandan President Ends Visit

*OW1406160196 Beijing XINHUA in English
1515 GMT 14 Jun 96*

[FBIS Transcribed Text] Shanghai, June 14 (XINHUA) — Rwanda's President Pasteur Bizimungu ended his official visit to China and left here today.

The Rwandan head of state and his party arrived and made a stopover here after visiting Beijing, Guizhou

Province in southwest China and Zhejiang Province in east China in the past week.

PRC: Tanzanian President Meets Envoy, Calls For Stronger Ties

*OW1506235296 Beijing XINHUA in English
1929 GMT 15 Jun 96*

[By Pei Shanqin]

[FBIS Transcribed Text] Dar Es Salaam, June 15 (XINHUA) — President Benjamin Mkapa today reiterated his government support for the position of one-China and called for stronger ties between Tanzania and China.

He told Chinese Ambassador Xie Youkun at the State House this morning that his government is committed to the strengthening of the existing ties between the two countries in both the economic and political spheres.

Following the economic restructuring taking place in the two countries, Mkapa said, there is need for the two governments to closely work with the private sector so as to inject a new economic impetus.

Xie shared the president's view, saying the need to involve more private actors in the economic field is essential.

He told Mkapa that a Chinese delegation led by Deputy Minister for Foreign Economic Relations and Trade Liu Shanzai will arrive here tomorrow.

Liu will sign an agreement with the Tanzania government for a new Chinese grant, part of which would be used for the Kiwira coal project, which was established more than 10 years ago, with Chinese assistance in Kiwira area, south-western Tanzania.

Another agreement to be signed would involve the provision of a Chinese soft loan as working capital for the Urafiki textiles under the new Sino-Tanzania joint venture.

Earlier, the Chinese ambassador conveyed to Mkapa a special message from President Jiang Zemin of the People's Republic of China.

West Europe

PRC: Sino-German Joint Venture Goes Into Operation in Jilin

*OW1406135196 Beijing XINHUA in English
1325 GMT 14 Jun 96*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — A Sino-German joint venture to produce engine management systems went into operation today in

Changchun, the capital of northeast China's Jilin Province.

Costing a total investment of 20 million US dollars, the Siemens Automotive Electronics Co., Ltd., was jointly established in 1995 by the Automotive Systems Group of Siemens AG and the Changchun North Electronics Factory. Siemens funded 70 percent of the investment.

The joint venture produces engine management systems and supplies necessary production expertise for China.

It now produces 4,000 electronic control units (ECU) every month. The ECU's production capacity is expected to rise to 10,000 monthly by the end of this year, and to 20,000 during the next two years. In the foreseeable future, all ECUs will be exported to foreign countries.

The joint venture plans to add new products during the next few years, such as airbag electronic systems and automobile body electronic systems.

To help China develop its automobile industry, the Siemens Automotive Systems Group funded another 14 million US dollars last year to form a second joint venture in Shanghai, which produces small electric motors. It is called Siemens Automotive Electric Motor Co., Ltd.

The Siemens Automotive Systems Group is expected to earn nearly 100 million US dollars in China in annual sales by the turn of the century.

The group said it will help China complete the transition from carburetor to fuel injection technology within a short period of time.

PRC: Defense Minister Arrives in Greece 15 Jun

*OW1506173496 Beijing XINHUA in English
1713 GMT 15 Jun 96*

[FBIS Transcribed Text] Athens, June 15 (XINHUA) — Chinese Defense Minister Chi Haotian arrived here today [15 June] for a stopover in Greece following his visit to Saudi Arabia, Kuwait, United Arab Emirates and Egypt.

Chi, also vice-chairman of China's Central Military Commission, was greeted at the airport by Greek national defense undersecretary Nikolaos Kouris and other senior Greek military officers.

During his stay here, Chi and his party are scheduled to meet Greek Defense Minister Yerasimos Arsenis on Monday.

He will leave Greece for home on Tuesday.

PRC: Wen Jiabao on Strengthening Bilateral Ties With Holland

*OW1406144996 Beijing XINHUA in English
1357 GMT 14 Jun 96*

[FBIS Transcribed Text] The Hague, June 14 (XINHUA) — China and Holland are to strengthen bilateral ties, particularly in trade and economics, a senior Chinese official said here.

Wen Jiabao, an alternate member of the Politburo and a member of the Chinese Communist Party Secretariat, made the remarks during his visit to the country on June 10-14.

During talks with Dutch Prime Minister Wim Kok, Wen and the premier agreed that the two nations should develop long-term and stable cooperation on the basis of equality and mutual benefit.

The Chinese official also delivered a speech to Dutch entrepreneurs and encouraged them to invest in China, in particular in the agricultural sector.

PRC: Qian Qichen Meets Norwegian Visitors in Beijing 13 Jun

*OW1306150396 Beijing XINHUA in English
1324 GMT 13 Jun 96*

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — Chinese Vice-Premier and Foreign Minister Qian Qichen met here this afternoon with Jan Egeland, state secretary of the Foreign Ministry of Norway. They discussed bilateral relations and international affairs.

Qian said that the geographic distance and differing domestic conditions between China and Norway will not hinder bilateral cooperation in various areas.

He said that China and Norway, on the basis of mutual respect and understanding, can conduct exchanges and dialogues on many issues including the legislature and human rights.

He said that the upcoming visit to Norway by Chinese President Jiang Zemin will contribute to the further development of Sino-Norwegian relations.

Qian also expressed his appreciation for Norway's positive role in international affairs, including its peace-keeping actions.

Egeland said that with the development of the Chinese economy, China can play a constructive role of peace in Asia and in the world.

He said Norway attaches importance to its relations with China, and is ready to further strengthen political

dialogues and enhance economic cooperation, as well as share exchanges on other topics.

The Norwegian King, government and people are eagerly awaiting Chinese President Jiang Zemin's upcoming visit to Norway, according to Egeland.

Egeland and his party arrived here this morning at the invitation of the Chinese Foreign Ministry.

PRC: Environment Seminar Cosponsored With Sweden

*OW1406165696 Beijing XINHUA in English
1555 GMT 14 Jun 96*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — The city governments of Beijing and Gothenburg as well as the Volvo Auto Company co-sponsored a seminar on the environment here today.

Beijing Vice-Mayor Lu Yucheng, Gothenburg Vice-Mayor Lars-Ake Skager, and Volvo President Soren Gyu attended the seminar.

Environmental protection is the common goal of mankind, and the improvement of environmental awareness is a responsibility of every local government, the vice mayors said. They agreed that the cooperation between government and enterprises to control pollution is one of the most efficient ways to protect the environment.

The government of Gothenburg has successfully cooperated with its enterprises to ensure environmental protection, and has shared its knowledge in this area with the Beijing government, Lu said.

At the seminar, representatives from Beijing and Gothenburg introduced their work concerning environmental protection. Volvo representatives and Chinese experts discussed tailpipe emissions, the future of the public transportation system, and the improvement of transportation efficiency.

It is the first time two city governments have jointly sponsored an environmental seminar with a company.

Political & Social**PRC: Veteran Dissident Wang Xizhe Released***OW1506072496 Hong Kong AFP in English
0628 GMT 15 Jun 96*

[FBIS Transcribed Text] Beijing, June 15 (AFP) — Veteran Chinese dissident Wang Xizhe, who was arrested in southern China on May 31, was released Saturday, his wife announced.

Wang, 47, returned to his home in Guangzhou around 9 A.M. (0100 GMT) after a 15-day detention in prison, said his wife, Su Jiang, in a telephone interview.

She said it was not immediately possible to talk to Wang because he had left to "go see his friends."

"He lost a lot of weight and doesn't have much appetite, his health isn't very good but he is keeping his spirits up," his wife said. "He wasn't beaten by police but he was threatened several times."

Wang was arrested before the June 4 anniversary of the 1989 Chinese crackdown on democracy demonstrators in Beijing's Tiananmen Square. He was arrested during a relative's birthday celebration.

Wang took part in the first democracy movement in 1979 and spent 14 years in prison before his release in 1993.

PRC: Deng 'Unlikely' To Speak at CPC Anniversary*OW1706092396 Hong Kong SOUTH CHINA
MORNING POST in English 17 Jun 96 p 5*

[FBIS Transcribed Text] It is unlikely that Deng Xiaoping will be among the dozens of retired senior cadres expected to offer congratulatory messages or words of wisdom when the Communist Party marks its 75th birthday on July 1.

A source close to the Deng family said the 91-year-old patriarch's health was "deteriorating gradually."

"Deng is staying in his ward-like home in Beijing and receiving intensive care," the source said.

"It is most improbable his doctors will allow him to go anywhere outside the capital."

He added however, that Mr. Deng was in no imminent danger, and his children had kept to their travelling schedules.

His oldest daughter Deng Lin the painter was in Spain last week. Second son, Deng Zhifang still travels to the United States on business trips every now and then.

Both he and other family members active in business are reportedly making assessments of how the patriarch's death will affect their corporate activities.

Meanwhile, the Chinese media yesterday released July 1 messages given by several party veterans.

Former vice-chairman of the Central Advisory Commission Song Renqiong pointed out that the party had "traversed a crooked path in its 75 years."

"We have experience of success but also lessons of defeat," said Mr Song, a former head of the Organisation Department.

Without mentioning the Cultural Revolution, he said that the party had made "serious mistakes, which had dealt a big blow to our enterprise." Retired general Ye Fei urged the party to maintain close links with the people, and "to be bold in criticism and self-criticism."

Another party elder, Wang Shoudao, said party cadres and members must remember that they were "the people's servants".

Chinese sources said many retired senior cadres had expressed dissatisfaction with the worsening plague of corruption.

In letters and petitions to party authorities, they had criticised the administration of President Jiang Zemin for failing to effectively deal with the problem of graft and special privileges enjoyed by the elite.

The sources said, however, that in his address on July 1, Mr Jiang would probably claim some success in "rectifying the party's work style."

PRC: Pact With Russia Said To Thwart 'Moslem Separatists'*OW1706102096 Hong Kong AFP in English
0955 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (AFP) — The Chinese government believes a newly-agreed security pact among Central Asian countries will help it to thwart Moslem separatists in the northwestern region of Xinjiang.

In its eighth commentary in two months on the "struggle against separatists," the Xinjiang Daily [XINJIANG RIBAO], received here Monday [17 June] declared "the goal of a handful of people to split Xinjiang from the rest of the country is doomed to failure."

"We have total confidence in our victory," the official daily said in the edition, which was dated June 12.

The leadership of the Communist Party is "capable of mastering the situation," able to resort to the use of a "powerful army" amongst other things, it warned.

"We have confidence because the international and regional situation is favourable," the commentary said, notably pointing to a treaty signed in Shanghai in April by the presidents of China, Kazakhstan, Kyrgyzstan, Tajikistan and Russia.

The unprecedented treaty aims to set down a demilitarised zone along the 8,000-kilometer (5,000-mile) border between China and the former Soviet republics and beef up cross-border security cooperation.

Xinjiang, officially termed an autonomous region, is mainly populated by non-Chinese Moslems.

The area has been the theatre for frequent separatist attacks, some of which are reputedly launched from neighbouring Kazakhstan. China has mobilised all its security forces and propaganda apparatus in a bid to quell the activities of the "splittists."

"The future of Xinjiang is radiant under the leadership of the Communist Party," the daily said.

PRC: Li Ruihuan Speaks at CPPCC Standing Committee Closing

OW1606165496 Beijing XINHUA Domestic Service in Chinese 1120 GMT 14 Jun 96

[By RENMIN RIBAO reporter Zhou Xiaolang (0719 4562 3186) and XINHUA reporter Zhu Dongju (2612 0392 5468)]

[FBIS Translated Text] Beijing, 14 Jun (XINHUA) — The 17th meeting of the Standing Committee of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] closed in Beijing today. At the meeting, members thoroughly discussed and studied both theoretical and practical aspects of the CPPCC's primary functions under the new situation. They freely aired views, exchanged opinions, summarized experiences, and offered many good suggestions for further improving the CPPCC's work.

Li Ruihuan, CPC Central Committee Political Bureau Standing Committee member and CPPCC National Committee chairman, made an important speech on ways to better fulfill the CPPCC's primary functions at the closing today. Reviewing the Eighth CPPCC National Committee's achievements of the past four years, Li Ruihuan said: All in all, for the work of the past years, the CPPCC National Committee has received the approval of its members at large, a favorable response from various circles of society, and high praise

from the CPC Central Committee. Of course, we should be soberly aware of the shortcomings in our work. He pointed out: Fulfilling its primary functions is always the basic task of the CPPCC, whose nature, position, role, features, and advantages are closely related to each other. If it did not fulfill its primary functions, the CPPCC's existence and development would be devoid of meaning. Only by effectively carrying out its primary functions can the CPPCC make its share of contributions to the national construction and development.

Li Ruihuan reiterated the four fundamental principles for the CPPCC to exercise its primary functions. He said: First, we must uphold the CPC's leadership. The party's leadership is the basic guarantee for the CPPCC to correctly bring into play its role in Chinese political life, and it is the main symbol of our socialist democracy, which is different from Western parliamentary democracy. We must conscientiously and unswervingly uphold the CPC's leadership and proceed from the stand of strengthening and improving the CPC's leadership in making suggestions, advice, or criticism, or in exercising supervision. Second, we must subordinate ourselves to serve the national interests. CPPCC committees at all levels should consciously foster an awareness of national interests, identify their position in the overall situation, and fulfill their functions in conjunction with the national interests. Third, we must proceed in everything from the realities. In fulfilling its functions, choosing assignments, organizing activities, or making suggestions, the CPPCC should take into full account actual conditions and needs and possible results. It is necessary to pay close attention to investigating and studying objective conditions and to seek truth from facts in carrying out work actively, prudently, creatively, and in accordance with the requirements of the CPPCC's functions. Fourth, we must strengthen coordination with relevant departments. In fulfilling its functions, the CPPCC should take the initiative to strengthen communication and coordination with relevant departments, place itself in their position to understand the difficulty of practical work, provide feedback, and exchange information in a timely manner.

Li Ruihuan emphasized: In fulfilling its functions as a major component of socialist democracy, the CPPCC should keep pace with the construction of democracy in China, going all out while proceeding in an orderly way. Currently we must pay particular attention to two aspects: practice and development. We must emphasize that practice is not only the sole criterion for testing the truth, but is also the fundamental way to recognize the truth. We must not only recognize changes in the development of work, but also notice influences and changes in the work which are brought about by

changes in the general climate. Attaching importance to practice is the most fundamental idea and method for the CPPCC to exercise its functions; it should conduct exploration and accumulate and summarize experiences in the course of practice, using practical experiences to solve problems and promoting work with practical experiences. We should diligently study Deng Xiaoping's theory of building socialism with Chinese characteristics, further emancipate our minds, go deep into the realities, go down to the grass roots and mingle with the masses, striving to adapt our subjective understanding to the objective situation of changes in the development and creating more fresh experiences with universal significance.

CPPCC National Committee vice chairman Ye Xuanping chaired the meeting today.

The meeting approved the (revised) "rules for the work of the CPPCC National Committee Standing Committee" and the namelist of additional vice chairmen of the Eighth CPPCC National Committee special committees; and it deliberated and approved a decision on revoking the qualifications of Qiazha Qiangbachilie as a member and Standing Committee member of the CPPCC National Committee.

CPPCC National Committee Vice Chairmen Wu Xueqian, Yang Rudai, Wang Zhaoguo, Ngapoi Ngawang Jigme, Seypidin Aze, Hong Xuezhi, Hu Sheng, Qian Zhengying, Ding Guangxun, Sun Fuling, Ma Man-kei, Zhu Guangya, Wan Guoquan, and He Luli; and Secretary General Zhu Xun attended the meeting. Senior officials from the CPC Central Committee and State Council General Offices attended the meeting by invitation. Senior officials of the CPPCC National Committee special committees; provincial, autonomous regional, and municipal CPPCC committees; and city CPPCC committees who occupy posts at the vice gubernatorial level observed the meeting.

PRC: Eighth CPPCC Standing Committee 17th Session Ends

OW1406154096 Beijing XINHUA in English 1453 GMT 14 Jun 96

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — The 17th meeting of the Standing Committee of the 8th National Committee of the Chinese People's Political Consultative Conference (CPPCC) ended here today after five days of discussion about its duties.

Chairman Li Ruihuan of the National Committee said when the CPPCC has successfully fulfilled its duties, it will have retained the Communist Party leadership, served the best interests of the country, observed prac-

tical circumstances and collaborated with governmental departments.

He noted that the fulfillment of duties should keep up with China's building of democratic politics, and that positive efforts should be made and the process should go on gradually.

Today's meeting approved the decision to dismiss Qazha Qamba Chilai from his post as a member of the Standing Committee of the CPPCC National Committee.

Members approved the revised version of the Standing Committee's working regulations for the CPPCC.

During the five-day meeting, Zheng Hongye was made vice-chairman of the CPPCC Liaison Subcommittee for Taiwan, Hong Kong, Macao Compatriots and Overseas Chinese, and Liu Shusheng and Jamyang Losang Jigme Tubdain Qoigy Nyima was named vice-chairmen of the Subcommittee of Nationalities and Religion.

A number of vice-chairmen of the CPPCC National Committee attended today's meeting.

PRC: CPPCC Functions Need To Keep Up With Democratic Politics

OW1406154796 Beijing ZHONGGUO XINWEN SHE in English 1433 GMT 14 Jun 96

[FBIS Transcribed Text] Beijing, June 14 (CNS) — Li Ruihuan, Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), pointed out that functions fulfilled by CPPCC in a way to carry on socialist democracy should keep up with the development of China's democratic politics. Mr. Li added that such coordination had to be carried out painstakingly in an orderly manner.

Speaking in a speech at today's closing session of CPPCC, Mr. Li said that the development of socialist democracy was China's firm and unshakeable goal. The chairman noted that CPPCC had long been making efforts to achieve this end and that progress had been made continuously. Mr. Li also pointed out that China's economy was not well developed while sciences and culture were rather backwards.

He noted China underwent some 2,000 years of feudalism and democracy was something new to this country. China's socialist democracy, Mr. Li said, is just at its fledgling stage while at the same time it once suffered from the "Culture Revolution", a mass campaign between 1966 and 1976 during which many persons were persecuted. As China is now developing the socialist market economy, many new things appear which China has not yet witnessed before.

Mr. Li admitted that it needed a longer period for the establishment of democratic politics in China mainly because there are so many matters which request intensive study and research.

Mr. Li is convinced that CPPCC has to perform its duty and that the main point lies with practice. In the course of practice, further exploration has to be made and experience be summed up. Problems have to be solved by means of practice while experience acquired from practice has to be used to get work well done.

PRC: Progress Seen in Establishing Party Regulations

OW1406140296 Beijing XINHUA Domestic Service in Chinese 0239 GMT 14 Jun 96

[By reporter Chen Yan (7115 7159)]

[FBIS Translated Text] Beijing, 14 Jun (XINHUA) — Since its founding 75 years ago, the CPC has creatively used the democratic centralism principle to formulate basic guiding principles and concrete systems for correctly standardizing inner-party political life and handling inner-party relationships, and has produced distinctive characteristics in building organizations.

Democratic centralism is the CPC's organizational and leadership system. Since the Third Plenary Session of the 11th CPC Central Committee, particularly since the 14th CPC Congress, the party Central Committee has done a great deal of work to restore and uphold the party's democratic centralism and to perfect specific democratic centralism systems. For example, it has formulated "Several Guiding Principles Concerning Inner-Party Political Life"; again put provisions concerning democratic centralism in the party Constitution; improved and perfected a series of specific systems for implementing democratic centralism, including the party congress, election, and promotion and appointment of leading cadres systems, and so on; and issued a series of important documents, for example, "Regulations Concerning the Democratic Life of Party-Member Leading Cadres of Party and Government Organs at and Above County Level," "Regulations on Election Work of Local CPC Organizations," and so on.

The Fourth Plenary Session of the 14th CPC Central Committee decided to regard upholding and perfecting democratic centralism as one of the important issues in strengthening party building and clearly demanded further improvement and perfection of a series of systems related to democratic centralism. To implement the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, the Central Committee and departments concerned have made greater efforts in the building of systems in the past year and more. The CPC

Central Committee has issued "Regulations on Work of Local CPC Committees (for Implementation on a Trial Basis)," "Provisional Regulations on Work to Promote and Appoint Party and Government Leading Cadres," "Regulations on Protecting the Rights of CPC Members (for Implementation on a Trial Basis)," and other important inner-party regulations. The implementation of these regulations is playing an increasingly more important role in upholding and perfecting democratic centralism; improving and strengthening party leadership; and increasing the party's cohesive, attractiveness, and combat strengths. It is learned that more important systems and regulations are being formulated.

PRC: Results of Rural Party-Building Efforts Cited

OW1606172696 Beijing XINHUA Domestic Service in Chinese 0817 GMT 11 Jun 96

[By reporter Chen Yan (7115 7159)]

[FBIS Translated Text] Beijing, 11 Jun (XINHUA) — This reporter has learned from the Organization Department of the CPC Central Committee that remarkable results have been achieved in the past year and more in comprehensively strengthening the building of rural grass-roots organizations with the focus on rectifying the weak, lax, and paralyzed state of party branches. Remarkable changes have taken place in more than 80 percent of the over 50,000 villages in a weak, lax, and paralyzed state and the more than 30,000 poverty-stricken villages where the economy develops very slowly. These villages were selected as the first batch of villages to be rectified in the country. The state of rural grass-roots organizations, the development of the rural economy, and the face of society there have been improved.

Since the Fourth Plenary Session of the 14th CPC Congress and the national work meeting on the building of rural grass-roots organizations, various localities have adopted effective measures and earnestly promoted the constant in-depth development of the construction of rural grass-roots organizations in accordance with the arrangements of the central authorities and the "five good" target demands and closely centering on the work to lead the peasants toward prosperity and a relatively comfortable life. According to statistics, localities across the country selected and sent more than 450,000 cadres to stay and help with the work in various villages last year. The leadership at the provincial, prefectural, and county levels established a total of nearly 80,000 liaison points and 99.7 percent of county committees across the country established and perfected the responsibility for grasping party building in the rural areas. Various localities also sent investigation groups and mobile

guidance groups and held meetings at each stage to gain a good knowledge of work progress, strengthen supervision and inspection, and give impetus to work in good time.

In the course of rectification, various localities have grasped the crucial point of building leading bodies and selecting good party branch secretaries. Rectification and construction of village committees, village cooperative economic organizations, Communist Youth League branches, women's federations, the militiamen, and other village organizations were also carried out while village party branches were rectified, thus raising the overall level of the construction of rural grass-roots organizations. At the same time, various localities have also adopted measures to help poverty-stricken villages develop their economy. Work to "cure paralysis" and to "shake off poverty" has been carried out simultaneously. The construction of the collective economy at the village level has been strengthened and the masses of people have been led toward prosperity.

While strengthening the construction of rural grass-roots organizations, party committees at various levels have given prominence to ideological education and have used various means to extensively organize party members and cadres to study Deng Xiaoping's theory of building socialism with Chinese characteristics and the party constitution in light of reality, and to solve ideological problems and problems of understanding. In view of the characteristics of rural party members, many localities have compiled simple education materials which party members can easily understand. In the past year and more, more than 600,000 training sessions of various kinds have been run across the country, more than 3.8 million backbone elements have received training, and over 29 million party members have taken turns receiving training. Various localities have also made greater efforts to provide training and to spread knowledge about the market economy and science and technology and have strived to increase the ability of the party and cadres to lead the masses of people in attaining prosperity.

Since the beginning of this year, various localities have seized the favorable situation to further increase their efforts to rectify rural grass-roots organizations. More than 60,000 villages across the country have been listed as the second batch of villages for rectification, of which more than 30,000 are poverty-stricken villages where the economy develops slowly. At present, more than 470,000 cadres across the country have been sent to stay in villages to help with the work there. Last winter and this spring, more than 210,000 township and town cadres received training and more than 660,000 rural party branch secretaries and village directors also

received training. The work is progressing in an in-depth and down-to-earth manner.

PRC: Officials Deny Monk Killed in May Clash With Troops

HK1406050296 Hong Kong EASTERN EXPRESS in English 14 Jun 96 p 7

[By Arthur Stones]

[PTS Transcribed Text for FBIS] Tibetan officials said yesterday they were pleased at progress made in reeducating monks at a monastery, closed after a clash with officials sent to tear down pictures of the exiled Dalai Lama.

The officials denied a report by the London-based Tibet Information Network (TIN) that one monk had died after being shot by troops who took over Ganden monastery last month and that a 13-year-old novice had been beaten. "No troops entered Ganden, there was no gunfire, no monk was wounded or died," an official of the Lhasa Nationalities and Religious Affairs Bureau said in a telephone interview from the regional capital.

The TIN, quoting sources in Tibet, said a 40-year-old monk, Kelsang Nyendrak, had died several days after being shot in the lower back when troops opened fire before entering Tibet's largest monastery.

The monastery was closed and dozens of monks detained on May 7, a day after monks threw rocks and expelled a government work team sent to remove all pictures of the Dalai Lama, officials said.

"We detained 63 monks in the monastery but no police were involved," the Lhasa official said, adding that two officials injured in the clash had been released from hospital and no charges would be filed against the monks, who were later released.

PRC: Tibet 'Liberation' Anniversary Marked

HK1406021896 Beijing RENMIN RIBAO in Chinese 23 May 96 p 9

[Article by Yin Qingyan (3009 1987 6056): "Build a Prosperous and Flourishing New Tibet — Marking the 45th Anniversary of the Peaceful Liberation of Tibet"]

[PTS Translated Text for FBIS] The day of 23 May this year is the 45th anniversary of the signing of the "Agreement on Methods for Peaceful Liberation of Tibet" (abbreviated to the "Seventeen-Point Agreement") between the central people's government and the Tibetan regional government. The signing of the "Seventeen-Point Agreement" indicated that Tibet had been peacefully liberated, and thereby had permanently broken free from

the invasions and shackles of the imperialists, and returned to the embrace of the great family of the socialist motherland. This opened up a road by which the Tibetan people could move from dark suffering to a great new age of brightness and happiness.

Peaceful Liberation of Tibet Was a Perfectly Proper and Just Action

The Tibet region is located on the southwest border and the people of the Tibetan nationality have worked hard together with their various fraternal nationalities, and made outstanding contributions to the founding of our great motherland. Back in the 7th century, Tubo established a close relationship of "peace and harmony" with the Tang state. The "Tang-Tubo Alliance Stele" still stands in front of the Jokhang Monastery in Lhasa as a historical testament. In the 13th century, the central government of the Yuan dynasty unified China, and this ended a period of close to 400 years when Tibet was split up into various regimes, and Tibet formally became part of China's territory. Since then, the Tibetan people have always lived within the great family of the motherland, and have shared the common fate of all nationalities in the motherland and are bound with them through common interests. During this period, while China's feudal dynasties and central authorities have changed on numerous occasions, and the state system and government system also saw changes, the central government has always exercised sovereignty over its territory of Tibet. The political, military, diplomatic, financial, and religious systems of the regional government of Tibet were all stipulated by the central government, and the titles of Tibet's political and religious leaders including the Living Buddha titles of the Dalai and the Bainqen Lamas had to be approved by the central government. Only thus did they have a legitimate political and religious status, and only thus could these persons exercise their functions under the management of the central government. Tibet is an inalienable part of the motherland's sacred territory. This has long been accepted and is recognized by the world.

After 1840, China gradually fell into a semi-colonial, semi-feudal society. In 1888 and 1904 the British imperialists launched two successive wars of aggression against Tibet. After the imperialists invaded Tibet, they colluded with the three types of feudal leaders and put great efforts into safeguarding and defending the decadent and declining serf system, resulting in it becoming like a colony. The Tibetan people thereby suffered even harsher catastrophes.

On 8 July 1949, as hundreds of thousands of powerful troops were crossing the Chang Jiang, the British person

Richardson single-handedly arranged for the Kashag government in Tibet to employ military force to drive out the Tibet office of the national government's Commission on Mongolian and Tibetan Affairs. This seriously harmed the relationship between the Tibetan region and the central government. After this, the Kashag government also, at the instigation of the imperialists, declared that Tibet was "a country which has always enjoyed independent and autonomous sovereignty," and then deployed a large number of troops on the bank of the Jinsha Jiang, in a vain attempt to use military force to stop the PLA from liberating Tibet. In order to safeguard the unity of the motherland, in the spring of 1950, under the instructions of Chairman Mao that "moving troops into Tibet should be done sooner rather than later," the PLA began to advance troops into Tibet. In October of the same year, they successfully completed the Qamdo campaign, which created the necessary conditions for peacefully liberating Tibet.

Following the birth of the PRC, the patriotic zeal of the Tibetan people and the elite patriots grew rapidly. They sent a telegram to the central authorities, convened a forum, gave speeches, sent representatives to the capital, and demanded the early liberation of Tibet. In the last part of January in 1950, the Bainqen Kan-bu [1030 1580] Conference Hall sent a telegram to Chairman Mao and Commander-in-Chief Zhu: "Sincerely representing the Tibetan people, we respectfully request that you swiftly dispatch the righteous army to liberate Tibet, quell reactionary elements, drive out the imperialist forces in Tibet, consolidate the south-west border, and liberate the Tibetan people." The Tibetan people and the elite patriots also provided the PLA with intelligence on the social situation and the mood of the people in Tibet, and offered advice and suggestions for the early liberation of Tibet. They also declared that the Tibetan people would certainly not be slaves of the imperialists and longed to be swiftly returned to the warm embrace of the big family of the motherland.

The party Central Committee thereupon formulated correct principles and policies for the peaceful liberation of Tibet. At the request of the central people's government, in February 1951 the Tibetan regional government sent a representative group to hold talks in the capital. Throughout the whole course of the talks, the central people's government continually upheld that: Tibet is China's territory and no aggression against it by foreigners would be allowed; the Tibetan nationality is an inseparable and integral part of the Chinese nation and no foreign country would be allowed to separate them; and the PLA would definitely be based in Tibet, in order to safeguard the unity of China's territorial sovereignty. These important principles were later drawn into the

"Seventeen-Point Agreement." On the question of the unity of the state, the central authorities adopted a firm stand and policies. This is because this involved the basic interests of the state and the people of all nationalities throughout the country. It was also a joint demand by the people of all nationalities throughout the country, including the Tibetan nationality. At the same time, in respect of handling matters within Tibet, the central authorities adopted very flexible and lenient measures. They both took account of the actual situation of the Tibetan people and also considered the actual needs of the Tibetan regional government. Thereby, they created the major conditions for the peaceful liberation of Tibet. *The peaceful liberation of Tibet was a measure whereby our party combined the national theory of Marxism with the concrete practice of Tibet, combined military struggle with political struggle, and combined mobilizing and relying on the broad masses with doing well in united front work with the elite patriotic figures. This opened a new road for the peaceful liberation of the minority nationality region. The peaceful liberation of Tibet, no matter whether seen from the historical angle or the angle of international law, was entirely a domestic matter which fell within the scope of state sovereignty. It was an entirely proper and just action.*

Peaceful Liberation of Tibet Opened Up a New Era in Tibetan History

Of the close to 1 million people in old Tibet, the three types of feudal leaders comprising monks, government officials and nobles constituted only 5 percent. However, they held over 80 percent of social wealth, held all of the cultivated land, farms, forests, mountains and rivers, and held the majority of the livestock. Meanwhile, the serfs who constituted over 90 percent of the total population were completely poverty-stricken and lacked even the most basic rights to survival. The serfs had no personal liberty and, as soon as the serfs bore children, the children were entered into the accounts, thereby becoming "livestock which could talk" owned by the lords of the serfs. Clearly, if there was no democratic reform of this social system, which makes one bristle with anger, it would be impossible to smash the shackles which had tied the broad number of agricultural serfs for thousands of years, and the Tibetan people would be unable to realize emancipation and liberation. Thus, the "Seventeen-Point Agreement" stipulated that Tibet should carry out democratic reform. In order to realize the democratic reforms in a peaceful and stable manner, the "Seventeen-Point Agreement" also stipulated that these reforms would be carried out by the Tibetan government itself, and the central authorities would not force their adoption. In response to this fair, reasonable and magnanimous decision by the central au-

thorities, the Kashag elite reactionary ruling group felt that it showed weakness, and eventually in March 1959, they launched an all-out armed rebellion. In order to safeguard the unity of the motherland, the CPC Central Committee and the Central Military Commission were forced to take a decision to put down the rebellion. At the same time, a free hand was given to mobilizing the masses, democratic reforms were implemented, the Tibetan masses were liberated and the Tibet region was guided on to the socialist road. *Through putting down the rebellion and through the democratic reforms, Tibet did away with the system of ownership of serfs by lords, and for the first time the broad number of farmers and herders enjoyed their own land, houses, cattle, sheep and other means of production. The reactionary political regime of the three types of feudal lords was destroyed, a regime comprising people at all levels was established, and hundreds of thousands of emancipated serfs strode proudly onto the political stage.*

The "Seventeen-Point Agreement" initiated the process of Tibet's modernization. After the peaceful liberation of Tibet, the party and the state powerfully developed the Tibetan economy and put efforts into improving the people's lives. In particular, since the Third Plenary Session of the 11th CPC Central Committee, under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics and the basic line of the party, Tibet has entered a period during which it has seen its fastest and best development ever. Through 45 years of struggle, Tibet has already established electricity, light industry, textiles, chemical, building materials, machinery, and forestry industries, as well as ethnic handicraft industries. The state has successively invested huge amounts totaling 4 billion yuan in Tibet's communications and created a highway communications network extending in all directions, centered on Lhasa, with regional administration seats as hubs, and with the Sichuan-Tibet, Qinghai-Tibet, and China-Nepal highways as its main arteries. Eighty percent of the counties in Tibet can dial direct to over 180 countries and regions around the world. The lives of the people of Tibet are being daily raised and improved. The food and clothing problems of the vast majority of farmers and herders have been basically resolved and a number of farmers and herders have become prosperous. In 1995, the average net income of the farmers and herders in Tibet was 885 yuan, an increase of 68 yuan as compared to the previous year. On average, every farming and herding family has about 8,000 yuan of productive fixed assets. In 1995, the average living expenditure income of urban residents in Tibet was 4,000 yuan, an increase of 404 yuan as compared to the previous year. In 1950, Tibet's population was about 1 million, of whom 900,000 did not have their own

housing. Now, in the rural areas of Tibet, the average per-capita living space is 20.36 square meters, while that for urban residents is 12.59 square meters. About 85 percent of the farming and herding families have built new houses. *The prosperous situation in Tibet today is a striking contrast to the poverty-stricken, waning situation in old Tibet.*

The "Seventeen-Point Agreement" laid a basis for the Tibetan people to enjoy equal political rights. After the peaceful liberation of Tibet and especially after the democratic reforms, the Tibetan people broke free from bondage and oppression. Throughout the country, Tibetan people together with people of the various other nationalities, enjoy equal political status and, through legislation, the state has affirmed the position of the people of all nationalities as masters. Through electing representatives to the NPC, the Tibetan people have the right to participate in the management of state affairs. All of the successive NPC's have had people's deputies elected by Tibet. There have, at different times been four NPC Standing Committee deputy chairman of the Tibetan nationality. The CPC Central Committee and the CPPCC both have Tibetan committee members and in state organs there is also a number of Tibetan nationality cadres. With the implementation of regional autonomy in Tibet, the Tibetan people realized the right to directly manage the internal affairs of their nationality and their region. The Tibet Autonomous Region's People's Congress and its standing organ the People's Congress Standing Committee exercise the right to take decisions on major matters throughout the whole region, the right to enact legislation, the right to appoint and dismiss people and the right to exercise supervision over the government, the courts, and the procuratorate. Of the successive people's congresses convened at various levels in Tibet, Tibetan people and other minority nationalities have constituted 80 percent. Cadres of Tibetan nationality or of other minority nationalities constitute over 70 percent of the total number of cadres. The major leadership positions in the people's congresses, governments and CPPCC's at all levels are all filled by cadres of Tibetan nationality.

The "Seventeen-Point Agreement" Ensures that Religious Freedom is Truly Realized. Tibet, like other parts of the country, implements a policy of religious freedom. Every citizen has the freedom to believe in a religion and the freedom not to believe in a religion. They have the freedom to believe in religion even if they did not believe in religion in the past, and the right to not believe in religion now, even if they believed in religion on the past. Within the same religion, they have the freedom to believe in one particular sect and the freedom to believe in any other particular

sect. As long as they are normal religious beliefs and religious activities, the government will respect them and protect them in accordance with the law. In order to satisfy the demands of religious believers, from 1980 until now, Tibet has repaired, restored and opened up over 1,700 religious activity venues including temples and la-kang [2139 1660]. The state has, at various times, allocated a total of 216 million yuan for the restoration of a number of holy religious sites including the Potala Palace, the Jokhang Monastery, the Sang-ye [2718 5102] Monastery, the Sera Monastery and the Gandan Monastery. The memorial stupa and prayer hall for the 10th Bainqen were also built. Under the direction of representatives of the central authorities, the identification, investiture and the bed-sitting installation ceremony were also carried out and the broad masses of monks and laymen acclaimed his immeasurable merits and virtues. Tibet today has over 46,000 monks and nuns, and temples practice democratic management. The seven regions and cities of Tibet have all established Buddhist offices. At the same time, a Tibet Buddhist Studies Institute and the Beijing Tibetan Language Tertiary-level Buddhist Studies Institute have been established. With the safeguard provided by state laws, the Tibetan people enjoy the full freedom to develop normal religious activities.

The Unity of the Motherland Is a Basic Guarantee for the Invigoration of Tibet

The signing of the "Seventeen-Point Agreement" was an epoch-making turning point in the historical development of the Tibetan people. The process of implementing the agreement on the peaceful liberation of Tibet is a process whereby the Tibetan people, under the leadership of the CPC, advance forward along the road of new democracy and socialism. *Facts fully prove that if any minority nationality in China is separated from the great family of the motherland, it will inevitably end up becoming a colony of imperialism. The unity of the motherland is a basic guarantee for Tibet's stability, peace and the realization of national invigoration.* The great progress which has been achieved on the political, economic and cultural levels since the peaceful liberation of Tibet, achievements with which old Tibet could not compete, demonstrates an incontrovertible fact: *Only socialism can save Tibet and develop Tibet.* The practice by which the tens of thousands of PLA officers and men, cadres, workers, and intellectuals who have entered Tibet over the last 45 years have wholeheartedly served the people of Tibet and selflessly devoted themselves, and the great concern for Tibet by the three generations of leadership groups, proclaims to the world: *Only the CPC can truly represent the interests of the Tibetan people.* The various levels of party organiza-

tion and people's governments in Tibet have all along truly implemented the party's nationality policies. The practice by which Tibet has implemented nationality regional autonomy proves: *Only in the socialist motherland is it possible to truly realize the equality of nationalities. In the 45 years since the peaceful liberation of Tibet, the historical enlightenment has been many-sided, but if we sum it up into one point it is as follows: Only by traveling the socialist road under the leadership of the CPC, does Tibet have bright prospects; The Tibetan people can only develop, progress and achieve prosperity within the great family of the Chinese nation, tightly unified with other fraternal nationalities. Only thereby will they enjoy a happy today and a beautiful future.*

PRC: Justice Minister on Legal Education for Public

OW1706102896 Beijing XINHUA in English
0958 GMT 17 Jun 96

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — China will accelerate the education of legal knowledge among its 1.2 billion population over the next five years in order to facilitate a new system of law in the country, Justice Minister Xiao Yang said here today.

He made the remark at the start of a four-day national conference sponsored by the Central Propaganda Department of the Communist Party of China and the Justice Ministry, which will draw up plans for the third five-year national campaign of this kind.

"This campaign will also be crucial for building a country with the socialist legal system, and creating a sound legal environment for the country's economic and social development," he said.

In the past five years, 700 million of the country's 810 million citizens eligible for education on law have received education in elementary legal knowledge, according to the minister. This promotes public awareness on law, and people have discovered more of their own legal responsibilities and also how to use law to protect their own rights and interests.

Officials, too, are relying more on legal means rather than solely resorting to administrative measures in policy making and handling party and government affairs, Xiao added.

"Hiring legal experts and lawyers as consultants is now in vogue among officials and various party and government bodies," he said.

Beijing, Liaoning and Shandong have made resolutions regarding running local affairs according to law, and efforts to promote the rule by law have begun in the rest

of China's provinces, autonomous regions and major cities, Xiao said.

More than 500 party, government and army officials attended the national conference.

The minister stressed that for the five-year education plan to be successful, the following points must be made clear in advance:

— Deng Xiaoping's theories on socialist democracy and building of legal system will be the guiding principle;

— The rule by law and building a country with a socialist legal system will be the ultimate goal;

— The combination of legal education and legal practices will be the appropriate orientation; and

— Cultivating the public awareness on law will be the fundamental task.

Major targets to receive law education include officials at and above the county head level, judicial and administrative law enforcers, business managers, and young people.

Law education should be carried out through seminars, lectures, lecture tours to the countryside and other grass-root units, and through various other flexible and interesting forms, he said.

Xiao urged supervisory bodies be established immediately, and that an official promotion system be adopted based on knowledge of law.

Xiao said he expected to see good results in building legal systems by the year 2000 in more than 80 percent of villages and state-owned enterprises, in 70 percent of other units of the state sector, in 70 percent of the counties and in 80 percent of provincial capitals throughout the country.

PRC: Roundup on Provincial Crackdowns on Serious Crimes

OW1406085096 Beijing Central People's Radio
Network in Mandarin 2230 GMT 12 Jun 96

[From the "News and Press Review" program]

[FBIS Translated Text] As the crackdown on serious crimes deepens, an additional number of serious crime offenders have been arrested or punished.

According to a report by the Yunnan Radio Station, the province's Qujing Prefecture has smashed at a single stroke a gang of evil elements formed by ex-convicts, gangsters, and bullies led by two brothers Jiang Lining and Jiang Nining. The two brothers and the gang's 15 key elements were captured.

According to Guangdong's Suixi Radio Station, the Caotan Border Police station in Guangdong's Suixi County annihilated a gang of pirates which had committed robbery on many occasions. Six pirates were arrested and another one was killed.

A report by the Tianjin Radio Station says: Bian Baohai, a fugitive who fled after gunning down people in Liaoning; and Huang Zhigang, another fugitive who used a knife to rob passengers in Hunan's Binzhou city, were arrested by Tianjin's Dagang Public Security Subbureau and relevant police departments.

According to this station's reporter He Yongzhao, Meng Chuanchen, a major swindler who was on the nation's wanted list, was recently arrested by Harbin city's Nangang Public Security Subbureau. Since 1993, Meng, together with other people, had swindled from a Russian and five Chinese businesses \$1.7 million and 5.8 million yuan.

According to a report by the Shanxi Radio Station, various localities in Shanxi simultaneously held grand sentencing rallies a few days ago. In accordance with the law, verdicts were publicly announced on 1,470 defendants involved in 822 serious criminal offense cases. A number of defendants who committed the most heinous crimes were executed by shooting in accordance with the law.

PRC: Article Calls For Tough Stance on Crime
96P30204 Beijing RENMIN LUNTAN in Chinese
8 Apr 96 p 20

[FBIS Report] A recent journal article by an author affiliated with the PRC's CPC Central Committee Policy Research Office emphasized the historical lesson that long-term political and social stability can best be achieved by meting out "severe punishments" to criminals. It also quoted Deng Xiaoping's prescription for China to "outdo Singapore" in taking a tough stance against criminals.

In an article entitled "On the Use of 'Severe Punishments' in Times of Prosperity" published in the 8 April edition of RENMIN THUNTAN, a Beijing-based journal published under the auspices of the PEOPLE'S DAILY, author Nian Jianmin, of the CPC Central Committee's Policy Research Office, used several historical allusions to show how harsh penalties effectively deter criminal behavior and help maintain social stability in times of prosperity.

Nian first discussed Zhu Yuanzhang, the founding emperor of the Ming Dynasty, who advocated strict law and order, harsh punishment of unscrupulous people and corrupt officials, and taking a tough stance on crime

after concluding that the Yuan Dynasty had fallen as a result of its weak government. According to Nian, Zhu believed that taking a tough stance on crime would mitigate social contradictions. Nian also pointed to the Qing emperors Kangxi and Qianlong who also used "severe punishment" to strengthen their reigns. Highlighting a contemporary example of the effectiveness of stiff penalties in maintaining law and order, Nian described Singapore's use of harsh punishments for all illegal activities. He noted that Deng Xiaoping had applauded Singapore's example, saying that China should not only learn from it but even "outdo it."

Turning to China's present state of economic transition, Nian said that criminal and economic offenses are "increasing rapidly" in China because there is a lack of both a strict rule of law and a clear distinction between public and private interests. In his view, without the deterrent of "severe punishments" it will be difficult to change China's "grim and worsening public security situation".

To implement harsher punishments, Nian advised that China must rectify its corps of civil servants and law enforcement officers, mete out severe punishments to corrupt officials, deepen its anticorruption campaign, and further improve the supervision of government systems and power of restraint mechanisms. Nian also advised that, in addition to taking a "tough stance" towards criminals, China needs to educate its people to alter their ideological and moral concepts and increase their respect for justice, their likelihood of becoming law-abiding citizens, and their likelihood of practicing self restraint. He claimed this would help reduce or eliminate the underlying causes of illegal criminal activities. Describing the implementation of a tough stance on crime as a "strategic move," Nian said that China needs to create a legal deterrent for criminals by strengthening the hand of its legislative and justice departments. According to Nian, this "strategic move" is a requirement for the construction of the socialist modernization.

PRC: Serious Drug Trafficking Cases Discovered
OW1406155796 Beijing ZHONGGUO XINWEN SHE
in English 1303 GMT 14 Jun 96

[FBIS Transcribed Text] Beijing, June 14 (CNS) — China's public security departments boosted the anti-drug campaign recently with a number of serious drug trafficking cases solved in a recent period, said Zhuo Feng, vice secretary-general of the State Commission for Drug Control, at a meeting held here today. Heroin seized last April alone was nearly 1,000 kilograms.

Guangdong and Yunnan public security departments took a joint action on April 17 to check a big drug trafficking case in which 39 suspects were arrested, including seven Hong Kong persons. The raid led to a seizure of 598.85 kilograms of heroin, 15 vehicles and a speedboat as well as RMB [renminbi] 5 million of dirty money. The volume of heroin seized hit a record on a single case basis.

At the same day, Public security department in Simao Prefecture, Yunnan Province, and the Kunming Customs joined forces in checking a big case with 107.5 kilograms of heroin, a gun, RMB 200,000 in cash and a vehicle seized while six suspects were captured.

Jinjiang public security bureau in Fujian Province discovered 27 kilograms of heroin on April 18 from a Taiwan fishing vessel docked at a port. Seven suspects were arrested including three Taiwanese.

On April 22, public security department in Huidong County, Guangdong Province, discovered 42 kilograms of heroin from a fishing vessel. Four suspects were captured including one Hong Kong person.

Yunnan and Guangdong joined forces again on April 26 in solving another big case involving 148.75 kilograms of heroin. Two Hong Kong traffickers were arrested and three vehicles confiscated.

On May 10, Xuanwu public security bureau in Beijing checked a drug case, which was the most serious in the municipality's history. A total of 11 kilograms of heroin and dirty money of RMB 110,000 were seized. Six suspects were captured and the drug trafficking ring was smashed which had long transported drug from Yunnan to Beijing.

Mr. Zhuo said that in addition to dealing with cross-border drug trafficking, local authorities also launched drives to crack down on underground drug selling outlets and placed drug addicts under a rehabilitation plan. As of May 20, anti-drug raids carried out in Kunming led to the solving of 363 drug cases in which 378 suspects were arrested and 1,412 drug addicts detained while at the same time 11 drug rings and 24 drug dens were smashed.

Statistics released by the Ministry of Public Security revealed that 11,832 drug cases were unearthed in the first quarter of this year, 37 per cent up over the same period last year. A total of 575 kilograms of heroin and 234 kilograms of opium were seized, registering a respective rise of 73 per cent and ten per cent over the first three months last year.

To date there are 500 drug rehabilitation centres nationwide with 50,000 drug addicts receiving compulsory

rehabilitation a year. There are also 65 labour camps specializing in helping addicts to give up drug taking through labour. They received 18,000 addicts by late last year.

PRC: Narcotics Commission Says Anti-Drug Efforts Working

OW1406132996 Beijing XINHUA in English
1257 GMT 14 Jun 96

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — China's police cracked a dozen major drug smuggling cases in April and confiscated nearly a ton of heroin in the process, a record high for a single month since 1949, according to a narcotics control official.

Zhuo Feng, deputy secretary-general of the National Narcotics Control Commission, made the remark this morning at an anti-narcotics conference.

He said that the national police force solved 11,832 drug cases in the first quarter of the year, a rise of 37 percent compared with the same period last year.

From these drug busts, police seized a total of 575 kg of heroin and 234 kg of opium, increases of 73 percent and 10 percent, respectively, over the same period in 1995.

Zhuo noted that although police have scored successes in the local fight against narcotics, the current drug problem is still serious and difficult to control.

The government is scheduled to strike hard against illicit drug use and improve Chinese citizens' sense of anti-narcotics laws, Zhuo said.

According to the deputy secretary-general, police in China ferreted out more than 57,000 drug cases in 1995, confiscating 2,376 kg of heroin, 1,100 kg of opium, as well as 466 kg of marijuana.

A total of 12,990 people charged with illegal drug use were arrested in 1995. Of these, 9,800 were convicted, and 2,032 were sentenced to death or life imprisonment.

To date, China has set up more than 500 drug rehabilitation centers, which help 50,000 drug addicts give up the dangerous habit.

PRC: Crime and Punishment in PRC for 1-14 June 1996

HK1406072996

[PTS Report for FBIS] The following is a compilation of reports on crime, investigations, trials, sentencings, and other judicial-related activities in the PRC monitored by the Publications Translation Section of the U.S.

Consulate General in Hong Kong during the period 1-14 June 1996. Asia's Biggest Drug-Trafficking Case Solved

Chinese police recently solved a drug-trafficking case, the biggest of its kind in Asia's history, seizing 598 kg of heroin and 15 transport vehicles and arresting more than 30 drug traffickers, including six Hong Kong people. This is reportedly the sixth biggest drug-trafficking case ever cracked. The drug cartel was headed by two Hong Kong people, "A Sen" and "A Chi," who distributed a small portion of drugs from other syndicates in Guangzhou to Shenzhen and smuggled them in large quantities into Hong Kong. It is understood that in recent years, the cartel has controlled nearly 60 or 70 percent market share of heroin in Hong Kong. (Hong Kong SING TAO JIH PAO in Chinese 10 Jun 96 p A6) Major Armed Robberies in Beijing

Beijing was recently the scene of two major armed robberies in broad daylight. At 0800 on 3 June in front of a branch of the Construction Bank of China in Haidan, several gunmen made off with 700,000 yuan. On 5 June, four or five robbers made off with more than 100,000 yuan from the Friendship Hospital in Xuanwu District. (Hong Kong SOUTH CHINA MORNING POST in English 12 Jun 96 p 8) Shenzhen Arrests More Than 40 Abductors, Traders

The Shenzhen Longgang Public Security Bureau recently has smashed a large ring abducting and selling women, and has arrested more than 40 "traders in human beings" and rescued more than 200 abducted women in a week. According to Shenzhen police, there are several hundred cases of abducting and selling women in western Guangdong, most of whom are migrant workers from Sichuan, Jiangxi, and other provinces. They are sold either as other people's wives or as prostitutes for 1,600-2,000 yuan each. It is reported that serious feudal ideas and local protectionism have hampered the authorities' efforts to crack down on traders in human beings. (Hong Kong SING TAO JIH PAO in Chinese 12 Jun 96 p A6) Jinan Sentences 14 Convicts to Death

The Jinan City Procuratorate in Shandong passed sentence on 48 people guilty of serious crimes ranging from murder, assault, robbery, and burglary. Twelve of them were given prison terms of up to life and suspended death sentences, with 14 convicts receiving the death penalty. Another five criminals were released on the spot for giving themselves up and informing against their accomplices. (Hong Kong SING TAO JIH PAO in Chinese 8 Jun 96 p A5) Guangzhou Cracks Major Drug-Trafficking Case

Guangzhou public security officers uncovered a major drug ring trying to smuggle drugs to other location.

Four members of the ring were caught with 285g of heroin, 23.3 kg of cocaine, two military pistols, and 120 rounds of ammunition. (Hong Kong TA KUNG PAO in Chinese 6 Jun 96 p A4)

PRC: Government 'Pouring More Funds Than Ever' Into Education

HK1406053796 Beijing CHINA DAILY in English
14 Jun 96 p 4

[By Zhang Xia: "Education Wins Extra Funds"]

[PTS Transcribed Text for FBIS] The central government is pouring more funds than ever into educating the Chinese people.

A six-year project to provide compulsory education in poverty-stricken areas, launched last year, is the largest of its kind in terms of investment by the central government, according to the State Education Commission (SEC) and the Ministry of Finance.

Last year, the project received 200 million yuan (\$24 million) from central funds. This year the contribution will rise to 500 million yuan (\$60 million).

From 1997 to 2000, the central government will inject 800 million yuan (\$95 million) each year into the project, bringing the investment to 3.9 billion yuan (\$450 million).

Local revenue is also required for the project. This local funding should bring the total investment over the six years to more than 10 billion yuan (\$1.2 billion), according to the Ministry of Finance.

The project was initiated in response to the central government's plan to provide nine-year compulsory education and eliminate illiteracy among young and middle-aged people by the end of this century, according to the SEC.

Under the plan, nine-year compulsory education will be realized in regions whose population accounts for 85 per cent of the country's total. Primary school compulsory education will be realized in regions whose population accounts for 95 per cent of the total. And three to four years of primary school compulsory education should be provided across the whole nation.

At present, compulsory education policies are effective in the coastal provinces and municipalities of Beijing, Tianjin, Shanghai, Guangdong, Jiangsu, Shandong, Zhejiang, Liaoning and Jilin. Nine-year compulsory education is expected to be realized in the next one or two years.

There are difficulties in achieving the target in some hinterland provinces, where the economic development

level is still low and where big populations are a burden. These areas, however, usually have a sound foundation of educational development, according to the SEC. With the financial support of the central government, it is optimistic of achieving the target of providing nine-year compulsory education.

In 1996 and 1997, the project will concentrate on the 12 hinterland provinces, including Henan, Hubei, Shanxi, Anhui and Sichuan.

Last month, representatives of these 12 provinces signed responsibility contracts with the SEC and Ministry of Finance to guarantee that the funds will be used efficiently and the targets will be realized.

Provincial governments are required to sign contracts with counties, and counties with townships and schools.

In the coming two years, the project will cover 383 counties in the 12 provinces. Of them, 262 are listed as State-level poverty-stricken counties, with a further 121 at provincial level.

The central government will allocate 1.3 billion yuan (\$150 million) to 35,800 primary and middle schools in these counties. The contributions from local governments will bring the total investment to 5.3 billion yuan (\$640 million).

The money will be used mainly to build school houses, purchase teaching equipment and books, and to train primary and middle school teachers.

It is not easy for the central government to set aside so much money from its tight budget to support education. To ensure the funds are used effectively, the SEC and the Ministry of Finance have taken advice from the World Bank. Special management groups have been set up to take charge of the use, supervision and evaluation of the projects in each county.

The fund is under a unified management. Those who divert the money for other uses will face serious punishment.

The third level of provinces are those inhabited by ethnic groups and remote mountainous areas, like Yunnan, Guizhou, Guangxi, Gansu, Qinghai and Tibet. Due to historical and geographical reasons, their economy and education foundation is poor. People in some of these regions cannot feed or clothe themselves. They need more support from the central government in promoting compulsory education.

Conditions for these provinces to implement this project, however, are not yet ripe. The central government is still investigating the situation in these areas and the project will focus on these regions from 1998, said the SEC.

PRC: CAAC To Adopt New Practice in Flight Standard Management

OW1306122496 Beijing XINHUA in English
1118 GMT 13 Jun 96

[FBIS Transcribed Text] Shanghai, June 13 (XINHUA) — China's civil aviation authorities is to conduct a thorough-going check of flight standard management of all Chinese airlines in the next three years.

According to a new project, any newly-established airline must first get both a license from the industrial and commercial authorities, and a qualification certificate for its flight standard management (referring to pilot training and management) from the Civil Aviation Administration of China [CAAC] before it can be allowed to operate.

The project, aided by the Federal Aviation Administration (FAA) of the United States, is to establish in China a flight standards management system geared to international levels.

According to a three-stage cooperation scheme between the CAAC and FAA on flight standards and aircraft maintenance, signed at the end of 1994, 15 FAA trainers were recently in Shanghai to lecture on certification of airlines' flight standards management.

China Eastern Airlines will become the first domestic carrier to be certified.

PRC: State Council Drafts Coal Law; Li Peng Presides

OW1406144096 Beijing XINHUA in English
1404 GMT 14 Jun 96

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — China today drafted a coal law to regulate coal development and production, and to ensure the healthy development of coal-related businesses.

At today's 46th executive conference of the State Council, which was presided over by Premier Li Peng, a draft of the law was discussed and passed in principle.

The new draft, China's first of its kind, is designed to help reasonably explore coal resources, regulate coal production and businesses, and ensure the steady and successful growth of the industry.

It includes 65 articles and nine chapters on coal regulations, coal mine construction, production and security, coal businesses, mine protection, supervision, examinations and legal responsibilities.

It was said at the conference that the coal sector is one of the basic industries which plays an important role

in the nation's economy, and that the industry has seen rapid development since the reform and opening to the outside world.

But fast growth brings problems that need to be solved, according to the council.

It was decided at the conference that following revision, the draft law will be submitted by the State Council to the National People's Congress Standing Committee for discussion.

PRC: Article On New Colonial Culture

96P30210 Beijing QIUSHI in Chinese
No 5, 1 Mar 96 pp 26-33

[Article by Liu Renwei]

[FBIS Summary] Unlike the past, today's hegemonists are polite, seek "exchange" and "dialogue," and conduct their "blatant acts of subversive agitation" under the guise of "aid" and "benevolence." Furthermore, western lifestyles, morals, concepts, and values are infused into the Third World via "attractive fronts." In Hong Kong, for example, the Asia Musical Television program targets mostly Asian youth. Its hosts are either Americans of Chinese origin or British women of Indian origin who have both Asian features and "foreign flavor." The programs discuss a variety of topics, attract more than 11 million families, and addict many young people.

Advertising is another medium used for cultural "invasion." It has stimulated consumerism in the Third World, causing self respect to be measured in terms of wealth. Advertisements unilaterally portray "white-skinned, blue-eyed blonds" as the pursuers and the recipients of "the good life." The message, "white is beautiful," "increases people's sense of inferiority and represents the colonial mentality.

The goal of the international monopoly capitalist groups' colonial culture is to remold the Third World's cultural-psychological structure, conquering the people's deep underlying ideological void so that they unconsciously become slaves. Colonial culture has spread to every corner of the Third World, and is westernizing local values. Although China is an independent country, it does not exist in a vacuum. Corruption within the party has destroyed China's spiritual foundation and enabled Western ideas to infiltrate its society. To a certain extent, "worshipping" Western habits and customs have become fashionable in China. For example, "Valentine's Day" and "April Fool's Day" are celebrated. Keeping foreign pets, naming stores with Western names, and dying one's hair brown or red are commonplace. Products with Western names are easier to sell, and some people

derive a sense of status from their contact with things "foreign." In cultural circles, it has become common to see mechanical copying of Western "post-modern literature and art," peddling of bourgeois capitalist idealism, "praise for the West's "democratic" political model, advocacy of privatization theory, reversals of verdicts on historical colonialists and traitors, and even open suggestion of "total Westernization."

To overcome this cultural challenge, we need to rely on the proletarian ideological weapon of "scientific historical materialism." Our culture needs to be guided by firm values based on patriotism. We then need to have a unique cultural heritage that will endure with constant renewal and development.

According to an American international relations expert, a country's power nowadays depends on its ability to dominate the international political structure and agenda. This power has also shifted from "capital concentration" to "information concentration." A U.S. vice president has said that "the United States will take advantage of the information highway" as a means of strengthening its world leadership position. In international relations, the international monopoly capitalists are using "human rights" and "intellectual property rights" as a means of coercing and controlling other countries. Many indications suggest that from now on, political control and economic exploitation of the Third World will be carried out through both cultural "invasion" and a monopoly on high technology.

Military & Public Security

PRC: Jiang Zemin Promulgates War Material Regulations

OW1506020096 Beijing XINHUA Domestic Service
in Chinese 0851 GMT 14 Jun 96

[By Xiao Ji (5135 4949) and Zhang Dongbo (1728 2639 3134)]

[FBIS Translated Text] Beijing, 14 Jun (XINHUA) — Jiang Zemin, Central Military Commission chairman, recently issued a decree promulgating the "Regulations on Materiel of the Chinese People's Liberation Army." This is our Army's first set of rules that standardizes work regarding Army materiel.

The regulations consist of 10 chapters and 47 articles. Guided by Mao Zedong's military thinking, Deng Xiaoping's ideas for Army building during the new period, and Jiang Zemin's general requirements for Army building, and based on military strategic principles and relevant laws and regulations during the new period, the regulations define the principles and tasks for work

related to Army materiel; define the functions of logistic and material supply departments at all levels, supply depots, and supply coordination centers; standardize the procurement, storage, supply, and management of Army materiel; standardize special training, science research, and war preparedness regarding material supply; and contain relevant provisions on awards and punishments while earnestly summing up our Army's experience in material-related work. Moreover, the regulations affirm the new model born of socialist market economic conditions that aims to reform the supply of Army materiel under unified plans.

Work related to Army material is a specialized service that guarantees Army building and the supply of material needed for combat. It is an important part of our Army's logistical operations. Since the founding of New China, our Army has formulated various rules and regulations on material-related work, thus effectively promoting the standardization of such work. As military strategic principles are drawn up for the new period, and as the socialist market economy develops, work related to Army material faces a host of new circumstances and new problems. A set of basic rules governing material-related work urgently needs to be formulated so as to exercise control over and standardize work related to Army material. The regulations took effect on the day they were promulgated. The "Provisions of the Chinese People's Liberation Army on Work Related to Material" were abolished at the same time.

PRC: First Comprehensive Army Materials Decree Issued

*OW1406160096 Beijing XINHUA in English
1505 GMT 14 Jun 96*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — China has issued its first comprehensive decree in connection with army materials in a move to regulate the rear services, especially the materials supply.

Issued for the Chinese People's Liberation Army by Central Military Commission Chairman Jiang Zemin, the decree includes 47 articles and 10 chapters. It went into effect immediately.

The decree serves to confirm a new model for the army materials' gathering and supply in the socialist market economy.

The decree stipulates the army materials' principles, tasks and responsibilities for various logistics departments, storehouses and coordination centers, and regulates the gathering of army materials, storage, supply and management.

It also states the training, scientific research and military preparation necessary for this field, as well as various prizes and penalties could affect various departments.

Materials work has historically been an important part of the army rear services that guarantees construction and war-time material supplies to the army.

Prior to the decree, only working regulations guided the army materials work.

PRC: Liu Huaqing Stresses Army's Support in Local Construction

*OW1506041496 Beijing XINHUA Domestic Service
in Chinese 0815 GMT 12 Jun 96*

[By Reporters Han Shaojun (7281 4801 0689) and Jing Ruyue (2529 1172 2588)]

[FBIS Translated Text] Shijiazhuang, 12 Jun (XINHUA) — Liu Huaqing, member of the CPC Central Committee Political Bureau Standing Committee and vice chairman of the Central Military Commission, emphasized during his recent inspection in Hebei: The armed forces should actively take the initiative in supporting local construction, continue to step up the joint Army-people efforts to build spiritual civilization and the double-support work [the work of supporting the Army and giving preferential treatment to families of armymen and revolutionary martyrs; and of supporting the government and cherishing the people], and maintain even closer relations between the Army and the government and between the Army and the people.

From 7 to 11 June, Liu Huaqing successively visited such scientific research institutions and enterprises as the 13th and the 54th research institutes under the Ministry of Electronics Industry, the experimental plant of Hebei International Garment Center in Boxiang, and Hebei Jiya Electronics Co., Ltd., etc; and inspected their scientific research and production. He also listened to reports on the situation of economy, social development, the joint Army-people efforts to build spiritual civilization, and the double-support work in Hebei Province during "the Eighth Five-year Plan" period. Liu Huaqing fully affirmed Hebei's achievements in building two civilizations during "the Eighth Five-Year Plan" period.

In recent years, the Hebei Provincial CPC Committee and the Hebei Provincial People's Government have been vigorously supporting the Army construction. They have done an immense amount of effective work in areas such as assuring supplies of grain, edible oil, and other means of subsistence, properly resettling military cadres transferred to civilian jobs, supporting military training exercises, and ensuring good quality of Army recruits. Liu Huaqing spoke

highly of these achievements. He said: Currently, the relations between the Army and the government, and those between the Army and the people are very good. For many years, party committees and governments in every locality have offered great assistance and support to the Army construction, and solved many actual difficulties for the Army. By the same token, the Army should deem it a binding duty to support local construction. It should actively take the initiative in supporting local efforts to build the two civilizations. In particular, it should vigorously contribute to building key construction projects, promoting social welfare, assisting the poor and the needy, and maintaining social stability.

Liu Huaqing pointed out: In Hebei, there are a large number of troops stationed, military schools, veterans and servicemen's family members receiving special care, and old revolutionary base areas; and a large number of local people have been recruited into the Army. For many years, the major leading cadres of the Hebei Provincial CPC Committees and the provincial people's government have personally taken a hand in the "double-support" work. They were the first in launching the joint Army-people campaign to build spiritual civilization in China. They have forcefully supported the Army construction and brought closer the relations between the Army and the government, and those between the Army and the people. To support the Army and give preferential treatment to families of armymen and revolutionary martyrs is a fine tradition of our party, while to support the government and cherish the people is a fine tradition of our Army. The joint Army-people campaign to build spiritual civilization is an effective way to do a good double-support work under the new circumstances, and should be grasped firmly and well. The Army and the local people should support and help each other, work hard in unity, and truly share weal and woe with all hearts beating as one.

During the inspection, Liu Huaqing visited the officers and men at the grass-roots units of the People's Liberation Army (PLA), the Armed Police Force, and military schools in Shijiazhuang. Liu Huaqing stressed during discussion with Army leaders that the party committees at all levels must pay close attention to the cadre ranks — an important link in Army building — and ensure accomplishment of every task through strengthening the cadre ranks. He pointed out that under the new circumstances of reform and opening up, political and ideological education in the armed forces should be given special attention at all times, without even a moment of relaxation. Liu Huaqing emphasized repeatedly: There are thousands and thousands of items in the Army work, and the crucial one is to pay special

attention to implementation. Leaders at all levels must improve work style, go down to the grass-roots units, and ensure that every piece of work is done by the units and the persons concerned.

Liu Huaqing was accompanied on the inspection tour by leaders from the PLA General Staff Headquarter, the Beijing Military Region, the Hebei Provincial CPC Committee, the Hebei Provincial People's Government, and the Hebei Military District.

PRC: Inner Mongolia Considering Military Titles for Reservists

SK1406120196 Hohhot NEIMENGGU RIBAO in Chinese 26 May 96 p 1

[FBIS Translated Text] A few days ago, the region held a special joint conference of party, government, and army leaders to specifically study and arrange the work of conferring military titles on reserve service officers.

It is the first time for China to confer military titles on reserve service officers. This is another key measure for strengthening the construction of the reserve service officers contingent worked out by the Central Military Commission following the promulgation of the "law governing reserve service officers" in 1995. This measure is of great significance to implementing strategic military policies in the new age and the "outline of the Ninth Five-Year Plan for army building," to strengthening the building of national defense reserve forces, to further improving the system governing reserve service officers, and to upgrading the quality of the reserve service officers contingent.

The conference relayed the guidelines of the national conference on conferring military titles on reserve service officers.

Peng Cui Feng, Gao Zongwu, Guan Shuren, and Shi Lianxiang attended and addressed the conference. They urged all levels of party organizations to extensively and thoroughly conduct propaganda and education in carrying out the work and that both the army and localities should work closely with one another, carefully organize the work, strictly enforce regulations and policies, and ensure the quality of the title-conferring work.

It is reported that the title-conferring work will be completed by the end of this year.

PRC: Shaanxi Province Celebrates Arrest of Armed Criminals

SK1106040696 Xian SHAANXI RIBAO in Chinese 10 May 96 p 1

[FBIS Translated Excerpt] A celebration meeting was ceremoniously held in Xian on 9 May to commend those

who contributed to apprehending those criminals related to the extraordinarily serious case of stealing guns for looting, which took place on 28 April. An Qiyuan, secretary of the provincial party committee, made a speech at the meeting. He pointed out in his speech that by carrying forward the people's policemen's heroic deeds of fearing no difficulties and sacrifice, we should mobilize all social forces to join in the struggle against serious criminals.

Present at the meeting were some provincial leaders, including Liu Ronghui, Jia Zhibang, Li Tianwen, and Ti Kaoshan. Ai Pishan, Standing Committee member of the provincial party committee and director of the provincial Public Security Department, made a speech at the meeting. Zhao Yingwu, deputy director of the provincial Public Security Department, chaired the meeting.

On 28 April, thieves broke into the arms depot of an army unit stationed in Ruzhou in Henan Province and stole seven ".54 caliber" guns, one ".56 caliber" submachine gun, and 1,980 bullets. After receiving the joint investigation report by provincial and prefectural public security organs, the Fuxian County public security organ made emergency arrangements to conduct a strict investigation. Around 1350 on 30 April, headed by Ren Gaoyang, head of the Niuwu town police substation, some people's policemen and armed policemen tracked down the two criminals and seized the stolen guns and bullets while examining a long-distance passenger bus. [passage omitted]

On behalf of the provincial party committee and government, An Qiyuan first extended warm greetings to the cadres, policemen, and armed police officers and men who participated in the seizure, and expressed his lofty respects to the collectives and individuals who contributed. He said: Facts proved again that our contingent is able to win a tough battle and can be totally trusted by the party and the people. [passage omitted]

An Qiyuan stressed: We should encourage the people to resolutely wage a struggle against criminals and to promote an in-depth progress of the work to comprehensively improve the social order. We should commend not only the public security organs and judicial and procuratorial departments which contributed to the struggle, but also the people who are ready to take up the cudgels for a just cause and to fight the criminals so as to fully mobilize the people's enthusiasm for fighting criminals. We should expand the dynamics of propaganda; strive to form a social atmosphere of bravely fighting criminals, safeguarding public order, observing laws and disciplines, and stressing ethics; and create a good social environment for reform, opening up, and economic construction.

PRC: City of Baoji in Shaanxi Province Wages Second Crackdown

SK1106040596 Xian SHAANXI RIBAO in Chinese
14 May 96 p 1

[FBIS Translated Excerpt] The Baoji city party committee and government took the "12 March" incident as a lesson, regained the initiative, and accurately and severely waged a "strict crackdown" struggle. [passage omitted]

A few days ago, the city won its second battle of the struggle. A total of 1,574 criminals and 58 escaped criminals were arrested; 32 criminal gangs were ferreted out; 487 criminal cases, including 81 major and appalling cases, were cracked; and 64 unlawfully- manufactured firearms, 319 cutting tools under control, 295 kilograms of explosives, and 183 tapes with obscene contents were confiscated.

PRC: Central Team Inspects Crackdown Situation in Heilongjiang

SK1406112896 Lanzhou GANSU RIBAO in Chinese
29 May 96 p 1

[By reporter Zhang Zhigang (1728 1807 0474): "Make an Assault on the Fortifications of Major and High-Profile Cases"]

[FBIS Translated Text] On the afternoon of 28 May, the inspection team of the Central Committee of Political Science and Law, that came to the province to inspect work, listened to the report on the province's situation in severely cracking down on serious criminal offenses. On behalf of the provincial party committee and the government, Yang Zhenjie, deputy secretary of the provincial party committee and secretary of the provincial committee of political science and law, reported to the inspection team on the arrangements, actions, major results, and major problems of the "crackdown" at the first stage and on the arrangements for the work at the next stage. When speaking of major problems, Yang Zhenjie said: A small number of leaders of prefectural and county party and government organizations have not yet obtained a full understanding of the great significance of the current "crackdown;" and some localities have not given prominence to key aspects, only mopping up the criminal offenders appearing in society and failing to touch the conspicuous problems jeopardizing local social security, the major and high-profile cases making a very bad impression, and the deeply-hidden evil forces of hooligans. Responsible comrades of the provincial public security, procuratorial, court, and judicial departments also reported their respective situations to the inspection team.

After hearing the reports, the inspection team held: The party committee and government of Gansu Province as well as party and government departments in various localities have acquired a full understanding and made effective arrangements for the current "crackdown;" have fully manifested the demands set by the central authorities on the "crackdown;" and have, in close coordination with public security, procuratorial, court, and judicial departments, done a lot of work and achieved initial results in cracking a number of major and high-profile cases, in capturing a number of escaped convicts, in destroying a number of criminal rings, and in smashing a number of underworld gangs and evil forces of hooligans. The inspection team pointed out: The most essential and arduous task of the current "crackdown" is to crack a number of major and high-profile cases. Hence, we should organize some forces to assault the fortifications of major and high-profile cases and deal with promptly and severely according to the law the cases committed despite the current "crackdown" in a bid to satisfy the vast numbers of the masses. We should also make great efforts to deal blows to the gangs of hooligans and the evil forces of hooligans and should be determined to crack a number of cases that make a very bad impression and arouse public indignation. At the same time, all pertinent fields, grass-roots organizations in particular, should give even wider publicity to the "crackdown" and mobilize even more masses to participate in it in order to dispel misgivings of the masses and thoroughly reserve the situation in which good persons are afraid of evildoers. Public security, procuratorial, court, and judicial departments should enhance their case handling strength, consolidate the achievements scored at the preceding stage of the "crackdown," and strive for an all-round victory in the "crackdown."

Vice Governor Luosanglingzhiduojie also attended the report meeting.

PRC: Gansu Secretary, Governor Hear Report on Local Crackdowns

SK1406124096 Lanzhou GANSU RIBAO in Chinese
30 May 96 p 1

[By reporter Zhang Zhijie (1728 1807 0474): "Various Localities Report 'Crackdown' Situation"]

[FBIS Translated Text] On 29 May, after hearing the report on the "crackdown" situation in various prefectures, autonomous prefectures, and cities, Yan Haiwang, secretary of the provincial party committee, and Zhang Wule, deputy secretary of the provincial party committee and governor of the province, pointed out: We should further enhance our understanding of the special significance of the current "crackdown," actually

bring our ideas and actions in line with the policies and decisions of the CPC Central Committee, seize this favorable opportunity to successfully crack down on crime by giving prominence to key aspects, and comprehensively implement all measures concerning the comprehensive management of social security.

Responsible party and government comrades of 14 prefectures, autonomous prefectures, and cities, as well as of the Lanzhou Railway Bureau, reported their situations during the preceding stage of the "crackdown." After hearing the report, Yan Haiwang made arrangements for the next stage of the "crackdown." He said: Party and government leaders at all levels should profoundly understand that the success in maintaining social security is of great significance to reform, development, and stability, and they should fully understand the importance and urgency of the crackdown. These leaders should strengthen leadership over the "crackdown," closely coordinate with one another, fight in coordination, and resolutely implement the principle of dealing blows to serious criminal offenders as promptly and severely as possible. Not only should they round up all criminals appearing in society in one fell swoop, but should also adopt strong, effective measures to ferret out the deeply hidden principal criminal offenders and smash the evil forces of hooligans. Principal escaped criminals should be seized and brought to justice through the method of choosing the personnel, setting the tasks, setting the time limit, and fixing the expenses. Those serious criminal offenders who still commit crimes despite the current "crackdown" campaign should be listed as the major targets of the crackdown and their cases should be cracked within a given period. Once such offenders are seized, severe punishment should be given to them.

Zhang Wule pointed out in his speech: At the next stage of the "crackdown," it is necessary to appropriately handle the following four relations: First, the relation between the concentrated "crackdown" and regular work. While successfully grasping the "crackdown," party and government leaders at all levels should unfailingly grasp the implementation of the measures on comprehensive management of social security and consolidate the achievements already scored in the "crackdown." Second, the relation between the work of special organs and the positive participation of all fields in society. In implementing the measures on comprehensive management of social security and in launching the campaign cracking down on crime, all party and government departments, all enterprises and institutions, and the broad masses of the people should take an active part in the campaign under the unified leadership of party committees and governments. Also, the army, police, and civilians should coordinate closely

with one another to wage a resolute struggle against serious criminal offenders. Third, the relation between dealing blows to key crimes and to ordinary crimes. Fourth, the relation between dealing blows to crimes and preventing crimes, which should be combined organically.

Yang Zhenjie, deputy secretary of the provincial party committee and secretary of the provincial committee of political science and law, presided over and addressed the report meeting. Wang Sheangjun, deputy secretary general of the Central Committee of Political Science and Law, also spoke at the meeting. Vice Governor Luosanglingzhiduojie attended the report meeting.

PRC: Guizhou Launches Second 'Crackdown' Campaign

*OW1506011696 Guiyang GUIZHOU RIBAO
in Chinese 4 Jun 96 p 1*

[By GUIZHOU RIBAO reporter Luo Huashan (5012 5478 1472): "Second Campaign in the Province's 'Crackdown' Begins; Chen Shineng and Hu Kehui Take Part in the Coordinated Campaign"]

[FBIS Translated Text] At 2315 on 2 June, Chen Shineng, deputy secretary of the provincial party committee, governor, and head of the provincial leading group in charge of "Crackdown"; Hu Kehui, standing committee member of the provincial party committee, secretary of the provincial Political and Legal Commission, and deputy head of the provincial leading group; Fang Guanglin, member of the leading group and head of the provincial Justice Department; and Di Mingyuan, deputy head of the provincial Public Security Department, arrived at Guiyang City's Nanming District Public Security Subbureau, where people had assembled. After hearing a report by Sun Xiaoping, director of the subbureau, on preparations made by cadres and police officers as well as other personnel taking part in the battle, Chen Shineng asked everyone to carry forward the indomitable spirit of fearing neither hardship nor death to enable the people to live in peace and contentment. Then, at his order, some 300 people taking part in the battle disappeared in the darkness. At the same time, public security and judicial personnel as well as personnel from other units taking part in the battle in various parts of the province also entered combat readiness. Thus, a concentrated and coordinated battle of the province's second "crackdown" campaign has formally started.

Attacking gangs, cracking major cases, and pursuing fugitives to build on the victory achieved in the first campaign remain the emphasis of the current campaign. During the campaign, a special drive will also be

launched to crack down on criminal offenses involving theft of motor vehicles and kidnapping children.

Prior to the mobilization, Chen Shineng and Hu Kehui said: Since the beginning of the crackdown, the province's top party and government leaders have personally taken up the command and provided strong support in human, material, and financial resources. As a result, the crackdown produced great success: A number of important and high-profile cases were cracked, law-breakers and criminals were arrested, and criminals who committed the most heinous crimes were punished. The masses clapped their hands, cheering. However, what has been achieved is not enough to be called an all-round victory and it has not met the central authorities' requirements and the people's expectations. We must continue our efforts. Chen Shineng and Hu Kehui urged everyone taking part in the battle to act in accordance with the important instruction given by Comrade Hu Jintao during his inspection of Guangzhou's crackdown work and continue to work hard to pursue fugitives, break major cases, and crack down on gangs to enable the people to live in peace and contentment.

Since the first shot was fired, news of victory has poured in. The No. 3 detective team under the Nanming District Public Security Subbureau cracked a number of major cases involving the use of anesthetics in robberies, car stealing, and murders. More than 20 suspects were arrested, 27 cases uncovered, and five criminal gangs destroyed. In cooperation with Hunan police, the subbureau's no. 6 detective team broke a big burglar case in which Xiao Chunguang, the suspect, broke a safe and took 19,000 yuan from it. He was arrested.

The No. 3 detective team under Yunyan District Public Security Subbureau cracked and arrested a criminal gang led by Yu Jianxiang, Zhang Yingwu, Liu Yi, Ma Shilin, and Ma Shijun, who broke in people's homes for robbery or burglary and used anesthetics as tool to achieve their goals. After an in-depth investigation, it was learned that the gangs had committed more than 40 such crimes. Seven major robbery, burglary, and holdup cases were verified, and the rest are still under investigation. The subbureau's No. 6 detective team arrested a seven-member gang led by Wang Hai, who committed more than 60 robberies and burglaries worth several hundred thousand yuan since last year. So far, 21 cases have been verified, and more than 60,000 yuan of stolen money and goods recovered. The team also cracked a case in which the suspects, Zhao Yong and Yang Changhua, sold firearms and disguised themselves as public security personnel in armed robbery. They were arrested.

At the Guiwu Police Station, station chief Zhang Zhi, Political Instructor Mao Zhiqiang, and Deputy Station Chief Wu Shuping, along with police cadres and officers, were returning with an earlier arrested criminal gang. The gang, led by Dong Guiping, was involved in 29 criminal cases in Guiyang over a long period. Their impact was quite extensive. Through clues given by the masses, the station arrested the gang at one stroke. Frightened by the power of the "crackdown," one member of the gang, Wang Yi, escorted by his father, surrendered himself at the police station.

It was learned that various localities had made adequate preparations prior to the start of the battle and had mobilized the broad masses to participate in the campaign. Public security organs had made initial investigation into major cases and criminal suspects and were able to catch the suspects as soon as the battle started.

PRC: Public Notice Urges Criminals To Turn Themselves In

OW1406024296 Chengdu Sichuan Television Network in Mandarin 1145 GMT 10 Jun 96

[From the "Regional News Hookup" program]

[FBIS Translated Text] The Sichuan Provincial Public Security Department, the Sichuan Provincial Higher People's Court, the Sichuan Provincial People's Procuratorate, and the Sichuan Provincial Judicial Department recently issued a "Public Notice Urging Criminal Elements To Turn Themselves In to Authorities."

The public notice points out that to crack down severely on serious criminal offenses and to protect the people's lives and property, the following public notice is issued to give an opportunity for criminal elements to repent and make a fresh start and to severely punish criminal elements who refuse to repent in accordance with the policy of combining severe punishment with leniency, leniency to those who confess their crimes, severity to those who refuse to, and awards to those who render meritorious service, and state laws concerned:

1. People who have committed crimes of murder, robbery, rape, trafficking in and selling drugs, producing and selling arms and ammunitions, hooliganism, theft, or abducting and trafficking in people must turn themselves in to, confess their crimes to, and seek lenient treatment from public security organs, people's procuratorates, people's courts, other departments concerned, or the public security departments of organizations to which they belong between the date of the promulgation of this public notice and 31 July.

2. Those who turn themselves in and truly confess all their crimes within the period mentioned above shall be

handled leniently according to the law; among them, those who have committed especially serious crimes can still be given a lighter punishment according to law and may not be given the death sentence unless there is no alternative, those who have committed relatively serious crimes and should be given severe punishment according to law can still be given a lighter punishment or have their punishment reduced, and those who have committed less serious crimes and should be given a light sentence according to law can have their punishment reduced or can be exempted from punishment.

3. Those who, after coercive measures are taken against them, confess all their crimes on their own initiative and report the crimes of others, thus rendering meritorious service, can atone for crimes by meritorious service in accordance with the meritorious service rendered and can be handled leniently according to the law.

4. Those who know about crimes committed have the obligation to report and expose them to public security departments, people's procuratorates, people's courts, and other judicial organs, and to persuade and advise people who have committed crimes to turn themselves in to authorities. Judicial organs shall protect those who report crimes according to the law and those who have rendered meritorious service in cracking crimes shall be commended and rewarded. Those who protect and conspire with criminal elements, conceal and destroy criminal evidence, or intentionally produce false evidence, shall be severely punished according to the law.

4. [As heard] Those who refuse to turn themselves in and confess their crimes within the stipulated time and their crimes are reported by other people, those who make an agreement on not giving each other away and destroy evidence, or those who flee to escape punishment and refuse to turn themselves in, shall be resolutely and severely punished according to the law.

5. People who have come to Sichuan from other provinces and who have taken part in criminal activities, or people of Sichuan who have committed crimes in other provinces, irrespective of the time and place, must, within the stipulated time, turn themselves in and confess their crimes to public security organs, the people's procuratorates, the people's courts, or other judicial organs. Otherwise, they shall be resolutely and severely punished according to the law.

7. The second and third articles in this public notice are also applicable to other criminal and economic offenders not included in the first article of this public notice who turn themselves in, confess their crimes, report others'

crimes, thus rendering meritorious service within the period stipulated in the public notice.

8. All the people of the province must, in accordance with the arrangements made by the central authorities and Sichuan Province for severely punishing serious criminal offenses, actively take actions, and resolutely wage a struggle against all criminal elements who endanger the lives and property of the people and sabotage public security and social order, and contribute to safeguarding the sustained political and social stability of the whole province and to promoting the economic development of the whole province.

PRC: Article on Observing Marxist Principles

HK1406093096 Beijing JIEFANGJUN BAO
in Chinese 6 May 96 pp 1, 6

[Article by Xie Lixuan (6043 6849 6513): "Marxism Will Forever Remain Our Victorious Banner—Draw Demarcation Line between Marxism and Anti-Marxism"]

[PTS Translated Text for FBIS] Marxism is the theoretical basis guiding our thinking. At the outset, our party solemnly wrote Marxism on its banner. The Seventh CPC National Congress solemnly added Mao Zedong Thought to the CPC banner. The 14th CPC National Congress solemnly added Deng Xiaoping's theory of building socialism with Chinese characteristics to the CPC banner. By upholding the banner of Marxism, our party, a big party with a membership of over 50 million, has acquired its present staunch fighting capacity; our country, a big country with a population of over 1.2 billion, has acquired its present unifying force; and our people's republic, which has experienced trials and hardships over the past 47 years, has scored its present glorious achievements. Today, at a time when we are bidding farewell to the 20th century and marching toward a new century, and in the face of unprecedented, extensive, and profound changes in human society, countless and complex mutual agitations, collisions between various spiritual and cultural forces in the world, and a great many new situations and new questions in China's socialist modernization drive, we should hold still higher the great banner of Marxism, try to draw a demarcation line between Marxism and anti-Marxism, and become more capable of resisting the corrosive influence of all sorts of erroneous ideological trends so as to ensure that such a great cause as building socialism with Chinese characteristics in China will move ahead along the correct path.

In order to draw a demarcation line between Marxism and anti-Marxism, we should first of all firmly believe that Marxism is a scientific truth so as to unswervingly

take Marxism as a guide. *Marxism was born on the basis of a summation of experiences of the proletarian struggles and brilliant achievements of natural and social sciences of mankind.* Marxism has profoundly brought to light universal laws governing the development of the objective world, especially human society, as well as such a universal law as socialism inevitably replacing capitalism and eventually leading towards communism. Marxism is a scientific and ideological system guiding the proletarian revolution and construction. *Marxism is thoroughly revolutionary, for it is strictly and highly scientific. All anti-Marxists have invariably tried to obliterate the scientific nature of Marxism.* Over the past 20-30 years, the world socialist movement has turned from a climax to a low ebb. Especially since the late 1980s, the world socialist movement has suffered grave setbacks in certain countries. Some people have taken pleasure in such a drastic historical change while others have lost confidence in the socialist movement. In view of this, some western monopoly capitalist politicians predicted that socialism, which emerged and developed in the 20th century, will eventually die out in this century, saying: As it has become outdated in terms of contents, Marxism is soon to enter the museum as a solemn and stirring legacy of the 20th century. They have even energetically implemented such plots as "splitting up" and "westernizing" the socialist countries. In China's social life, there has emerged a sort of a bourgeois liberalization mentality that is aimed at fundamentally negating and abolishing Marxism. Such a mentality has risen and fallen as the situation has changed and has even caused incidents. Given a multitude of complex social phenomena, some comrades have begun to doubt if Marxism is still "applicable," conforms to contemporary world development, and is capable of guiding China's modernization drive. In view of this, we should not only carry out long-term and firm struggles against this bourgeois liberalization mentality but also unswervingly, justly, and forcefully conduct propaganda and education on Marxism with a view to constantly enhancing the party members' and the masses' faith in Marxism.

We have not had superstitious or blind belief in Marxism. We have believed in Marxism because Marxism is a scientific truth. The birth of Marxism has turned socialism from a Utopia into a science. Socialism is bound to replace capitalism, this being an irreversible and objective social and historical development trend. It is only natural that we have come across difficulties and even setbacks in this process. In a sense, certain temporary reversions of the situation are nothing but an inevitable and normal phenomenon. History has developed in accordance with its own logic. By displaying the extraordinary foresight and boldness of vision of a Marxist statesman and by standing at a commanding height, Comrade Deng Xi-

saping has pointed out: "I am convinced that more people in the world will agree to Marxism, for Marxism is a science." "Certain countries have suffered serious setbacks with the result that it seems that socialism has been weakened. However, in my opinion, the people of those countries have been tempered and have learned a lesson, and this will enable socialism to develop in a healthier orientation. Therefore, we should neither panic nor tend to think that Marxism has disappeared, become useless, or even failed. Nothing of the sort!" *As a proletarian scientific world outlook and methodology, Marxism will continue to be universally applicable to both China and other countries and in both the proletarian revolution period and the socialist construction period. Though it is possible that a few isolated Marxist conclusions might have become obsolete, the basic Marxist law governing social development and the basic Marxist tenets on socialism have been time and again proven correct in the course of practice. Therefore, there does not exist such a fundamental question as Marxism becoming obsolete.* Thanks to our adherence to Marxism as a theoretical basis guiding our thinking, we have won the great victory of the new democratic revolution in an extremely complex and unique environment such as China; won one great victory after another in China's socialist modernization drive since the PRC founding, especially since the Third Plenary Session of the 11th CPC Central Committee; turned the People's Liberation Army [PLA] into a new-type proletarian people's army under absolute CPC leadership; and have enabled the PLA to have successfully fulfilled each and every arduous task assigned by the CPC and the people in each and every historical period. It is true that socialism has suffered some setbacks in practice and even encountered serious twists and turns in development. However, we should not blame Marxism for these. As a matter of fact, these setbacks and twists and turns have resulted from drastic deviations from the scientific spirit of Marxism and from the abandonment of the basic tenets of Marxism. Today, when we look back to review these historical phenomena and the tortuous process of China's socialist modernization drive, we feel in a more profound way that *Marxism as a scientific truth still remains a guide for our progress while firm faith in Marxism still remains a powerful spiritual force behind our progress. Insofar as the PLA is concerned, firm faith in Marxism still remains an army building principle. We should make every endeavor to enforce this principle. Should we ever vacillate on or try to weaken this principle, we would inevitably alter the PLA's nature and aim. Therefore, we should keep sober-minded in this connection at all times.*

In order to draw a demarcation line between Marxism and anti-Marxism in contemporary China, we should,

in a nutshell, wholeheartedly support and resolutely implement Deng Xiaoping's theory of building socialism with Chinese characteristics. As a science, Marxism is bound to continually develop in the course of practice. Marxism's development has experienced two historical leaps and registered great theoretical development in China. The first historical leap took place in the new democratic revolution period with the result that Mao Zedong Thought was formed. The second historical leap took place in the socialist construction period with the result that Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics was put forward. Deng Xiaoping's theory of building socialism with Chinese characteristics is the latest achievement of integrating Marxism with China's realities and represents Marxism in contemporary China. In contemporary China, adhering to Deng Xiaoping's theory of building socialism with Chinese characteristics means truly adhering to and developing Marxism-Leninism-Mao Zedong Thought whereas abandoning and deviating from Deng Xiaoping's scientific theory means deviating from and even opposing Marxism-Leninism-Mao Zedong Thought. The 14th CPC National Congress confirmed the guiding position of Deng Xiaoping's theory of building socialism with Chinese characteristics and made a historical call for arming the whole party and the whole Army with Deng Xiaoping's theory. In recent years, the collective CPC Central Committee leadership with Comrade Jiang Zemin as the core has also done a lot of work in respect of learning, studying, propagating, and implementing Deng Xiaoping's theory, thereby pushing the country's cause of building socialism with Chinese characteristics to a new stage. In face of new situations and new tasks, we should strive to more profoundly understand scientific value, historical position, and guiding significance of Deng Xiaoping's theory of building socialism with Chinese characteristics. Since it has grasped the scientific nature of socialism; systematically and preliminarily resolved for the first time a series of basic issues, such as how to build, consolidate, and develop socialism in an economically and culturally backward country like China; adhered to the basic tenets of Marxism-Leninism-Mao Zedong Thought as well as stand, viewpoints, and methods of dialectical materialism and historical materialism; and enriched and developed Marxism-Leninism-Mao Zedong Thought with new ideologies and new viewpoints, Deng Xiaoping's theory of building socialism with Chinese characteristics has raised Marxism to a new realm and to new heights in contemporary China. Deng Xiaoping's theory contains extremely rich and in-depth contents; significantly enriched and developed Marxist philosophy, Marxist economics, Marxist political science, Marxist party building theory, Marxist military theory, and other Marxist the-

ories as well; and has provided a series of interrelated basic theories concerning socialism's development road, development stages, and fundamental tasks, concerning motive force, external conditions, political guarantees, strategic arrangements, leadership force, and forces to be reckoned on for socialism's development, and concerning China's reunification and other major issues as well, thus constituting a complete scientific system. Under the guidance of Deng Xiaoping's theory, we have ushered in a new historical period of China's socialist modernization drive. As a result, China, as a socialist country, has rapidly risen in the course of reform and opening up. China's social productive forces have developed by leaps and bounds. The Chinese people's livelihood has improved by a large margin. China has significantly enhanced its comprehensive national strength and maintained social stability as well. PLA building has also made noticeable progress and developed in a comprehensive way. It can be said that the whole China has been full of life and thrived in economic, political, cultural, social, and many other fields. It can be said that over the past 18 years, China, as a socialist country, has realized a new revolution by undergoing a great many extensive and profound changes, many of which could not have even been imagined in the past. Nevertheless, this revolution has neither changed the nature of China's socialist system nor changed socialism as China's basic system. Instead, this revolution has changed a series of concrete structures aimed at realizing socialism in China. This revolution is in essence aimed at fundamentally changing an economic structure detrimental to the development of China's productive forces, establishing a new socialist market economic structure full of life and vigor, changing China's political structure and other structures in a corresponding way, and realizing modernization in China. In a nutshell, this revolution is a process in which China's socialist system refines itself. We have taken note that while calling for adhering to reform and opening up, Comrade Deng Xiaoping also called for adhering to the four cardinal principles. He has most frequently and most resolutely called for adhering to reform and opening up on the one hand and adhering to the four cardinal principles on the other. *The unity of two basic points, namely, adherence to reform and opening up and adherence to the four cardinal principles, has made it possible for us to draw a demarcation line between Deng Xiaoping's theory of building socialism with Chinese characteristics on the one hand and erroneous viewpoints negating both Marxism and the basic tenets of scientific socialism and old concepts dogmatizing Marxism and running counter to China's realities, the requirements of the times, and objective laws governing China's social and economic development at the present stage on the other. The practice of China's re-*

form, opening up, and socialist modernization drive over the past 18 years since the Third Plenary Session of the 11th CPC Central Committee and the new situations and new achievements scored by socialist China have made us fully understand by virtue of historical comparison and international observation that Deng Xiaoping's theory of building socialism with Chinese characteristics is at once a completely correct scientific truth, representative of an objective law governing China's socialist construction, as well as a powerful ideological weapon capable of enabling us to overcome all sorts of difficulties and risks, including all sorts of erroneous ideological trends and tendencies. This theory is bound to guide China's reform and construction cause from one victory to another. Of course, there still exist quite a few difficulties and problems in real life. Nevertheless, these are but difficulties and problems in the course of development and progress. In a nutshell, they have been determined by the arduousness and complexity of China's reform, opening up, and socialist modernization drive. During his South China inspection tour, Comrade Deng Xiaoping made a number of speeches in which he predicted that it will probably take China some 30 years to establish a series of mature and stable systems in each and every field. Comrade Deng Xiaoping also called on all party members to constantly sum up experiences so as to rectify mistakes and resolve problems. He stated: Only by so doing will China be able to make progress and attain set goals in the course of reform and opening up. The present difficulties and problems only make it more imperative to firmly follow Deng Xiaoping's theory of building socialism with Chinese characteristics as a guide. In face of these difficulties and problems, we should never cast doubt on or abandon Deng Xiaoping's theory, nor should we take the road back, vacillate over, or be vague on such a fundamental political issue. Having been formulated under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics, the party's basic line, principles, and policies have concretized Deng Xiaoping's theory. In order to adhere to Deng Xiaoping's theory of building socialism with Chinese characteristics, we should unwaveringly carry out the party's present line, principles, and policies in practice; try to guarantee political firmness and sobriety with theoretical firmness and sobriety; resolutely safeguard the third generation of the collective CPC Central Committee leadership with Comrade Jiang Zemin as the core; and set a fine example in implementing the party's basic theories, basic line, as well as its principles and policies. In order to draw a demarcation line between Marxism and anti-Marxism, we should adopt a scientific approach to Marxism. The international communist movement and the party's historical experiences have repeatedly proved: Only by

adopting a scientific approach to Marxism will we be able to grasp essence of Marxism; bring into full play Marxism's great role in understanding and remolding the world; and lead China's revolution and construction cause from victory to victory. Should we ever adopt an unscientific approach to Marxism, we would only discredit or even tend to oppose Marxism and impair China's revolution and construction cause as well. The party has all along energetically called for adopting a scientific approach to Marxism by waging a persistent and unswerving struggle against all sorts of erroneous ideological trends negating Marxism and by opposing various tendencies toward dogmatizing, pragmatizing, and vulgarizing Marxism. After summing up the party's historical experiences, especially the party's fresh experiences since the Third Plenary Session of the 11th CPC Central Committee, we have found the following experiences valuable to a scientific approach to Marxism.

It is imperative to take Marxism as a rigorous and complete scientific system and comprehensively and accurately understand and apply Marxism at all times. In history, some people always tried to oppose Marxism by distorting, dismembering, and splitting Marxism's scientific system and by using a few isolated words and phrases of Marxism to replace and negate the basic tenets, methods, and spirit of Marxism. As early as the Yanan period, Comrade Mao Zedong solemnly called for systematically rather than fragmentarily, accurately rather than willfully, and realistically rather than hollowly, studying Marxist theory. In the new historical period, Comrade Deng Xiaoping has time and again cautioned us: It is imperative to "guide the whole party, the whole Army, and the people of the whole country with accurate and comprehensive Mao Zedong Thought." "Only by so doing will we not split, distort, and harm Mao Zedong Thought." Even since the 14th CPC National Congress confirmed the guiding position of Deng Xiaoping's theory of building socialism with Chinese characteristics, Comrade Jiang Zemin has emphasized on countless occasions that it is necessary to comprehensively and accurately study and understand Deng Xiaoping's scientific theory and firmly grasp the spiritual essence of the scientific system of Deng Xiaoping's theory. Since the Third Plenary Session of the 11th CPC Central Committee, the party has successfully brought order out of chaos; rapidly unified ideology in the whole party; led the people of the whole country to wholeheartedly build modernization; and achieved great successes simply because the party adhered to Marxism as a rigorous and complete scientific system and comprehensively and accurately comprehended and applied Marxism. The key to comprehending and applying Marxism as a complete scientific system lies in grasping Marxism's live soul, including scientific world outlook and

the methodology of dialectical materialism and historical materialism and the ideological line of seeking truth from facts, and acting by proceeding from realities and conducting concrete analyses of concrete situations. To this end, we should learn to be good at grasping the basic tenets and viewpoints of Marxism from a complete system of Marxism; try to comprehend the basic tenets and viewpoints of Marxism together with other types of tenets and viewpoints; and avoid absoluteness and one-sidedness in this connection. We should try to distinguish basic tenets and viewpoints from a few isolated conclusions and phrases; avoid overemphasis on a few isolated conclusions and phrases in disregard of a spiritual essence; and resolutely oppose such a pragmatic attitude as quoting out of context and adapting theories to one's own needs in disregard of a complete scientific system in particular.

It is imperative to adhere to the principle of integrating theory with practice at all times and constantly integrate Marxism with fresh practice. Marxism is a scientific theory deeply rooted in practice. Since practice is a salient characteristic of Marxism, we should adhere to the principle of integrating theory with practice and resolutely oppose such book worship and dogmatism as mechanically quoting Marxist phrases and transplanting Marxism by studying and resolving no realistic problems. Should we adopt a dogmatic approach to Marxism, we would inevitably turn live Marxism into a solidified, closed, and stereotyped theory, thus depriving Marxism of its live soul, creativity, and vitality. Those who believe that Marxism has become "obsolete" or has "failed" have negated the truth of Marxism in a rightist way while dogmatism has deviated from the truth of Marxism in a "Leftist" way. We should fully understand the harmful nature of dogmatism. In the late 1920s and early 1930s of this century, there emerged such an erroneous tendency inside the party as dogmatizing Marxism and deifying both the Comintern resolutions and the USSR experiences, which nearly pushed the Chinese Revolution into a blind alley. For more than 20 years since the late 1950s, due to misinterpretation and the dogmatization of certain tentative ideas and viewpoints contained in the works of Marx, Engels, Lenin, and Stalin, the country's national economy stagnated for a long period and even reached the brink of collapse. After smashing the "Gang of Four," the party followed the "Two Whatevers" principle with the result that the country's national economy "fluctuated" for a period of two years, this being the price paid by the party. The party's historical and realistic experiences have proven that the key to implementing the principle of integrating theory with practice lies in integrating the basic tenets of Marxism with the country's realities and the era's characteristics. Since the Third Plenary Session of the

11th CPC Central Committee, Comrade Deng Xiaoping has time and again stressed this point, has earnestly practiced what he advocated, and has set a glorious example for the whole party in respect of implementing the principle of integrating theory with practice. Comrade Deng Xiaoping was able to found the theory of building socialism with Chinese characteristics because he has applied basic tenets of Marxism; profoundly studied China's basic national conditions at the primary stage of socialism; penetratingly analyzed the new international environment and situation that have turned peace and development into the theme of the times; and reached a series of scientific conclusions. In order to adhere to Marxism and Deng Xiaoping's theory of building socialism with Chinese characteristics, we should pay attention to and constantly study the realities of China and the world. On such a premise, leading organs and leading cadres at all levels should learn to integrate basic tenets of Marxism and the basic viewpoints of Deng Xiaoping's theory of building socialism with Chinese characteristics with the realities in their own departments, localities, and units and try to formulate specific policies, measures, and methods to this end as well.

It is imperative to dialectically unify adherence to Marxism with the development of Marxism at all times so as to develop Marxism while adhering to Marxism and to adhere to Marxism while developing Marxism. The party's practice, especially the party's practice since the Third Plenary Session of the 11th CPC Central Committee, has fully proven that adherence to Marxism is a prerequisite for the development of Marxism. Should we fail to adhere to Marxism, we would not be able to develop Marxism and would even deviate from Marxism. Development of Marxism is a natural demand of adherence to Marxism. Should we fail to develop Marxism, Marxism would lose its vitality and vigor. As a result, adherence to Marxism would be out of the question. The whole value of Marxist theory lies in Marxism being critical and revolutionary in nature and being capable of constantly studying new situations, resolving new problems, and summing up new experiences, and constantly enriching and developing itself along with the development of scientific and social life. This is why Marxism will forever remain vigorous. It is due to this that while leading us in the course of reform, opening up, and the socialist modernization drive, Comrade Deng Xiaoping stressed: "We should never abandon our ancestors." He has repeatedly cautioned us: "He who refuses to inherit and develop Marxism with new ideologies and new viewpoints is not a true Marxist." The key to dialectically unifying adherence to Marxism with the development of Marxism lies in adhering to such a viewpoint as practice; in taking practice as the sole criterion for testing truth; in enthusiastically ana-

lyzing new situations and studying new problems under the guidance of Marxism's scientific world outlook and methodology; in bravely breaking with a few isolated utopian conclusions reached by our predecessors under special historical conditions, certain dogmatic understandings of Marxism, certain erroneous viewpoints willfully added to Marxism, and certain judgments and conclusions proven incorrect and unconformable to the new situation; and in creating new theories in light of new situations and new practice. In the past, the late Comrade Mao Zedong led us in this way. Since the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping has led us in this way. As a result, we have not only adhered to but also greatly developed Marxism and followed Mao Zedong Thought and Deng Xiaoping's theory of building socialism with Chinese characteristics in China. Now the third generation of the collective CPC Central Committee leadership with Comrade Jiang Zemin as the core has inherited and carried forward this fine tradition of the party; adhered to and successfully applied the stand, viewpoints, and methods of Marxism-Leninism-Mao Zedong Thought, and Deng Xiaoping's theory of building socialism with Chinese characteristics in analyzing and studying new situations and new questions in the course of reform, opening up, the socialist modernization drive; constantly summed up new experiences; and reached new conclusions, thus successfully unifying adherence to Marxism and the development of Marxism on the one hand with China's practice of building socialism with Chinese characteristics.

Comrade Jiang Zemin pointed out: "The party's theoretical improvement is a fundamental guarantee of correct and scientific party leadership. Given a multitude of new situations and new questions, the CPC's heavy responsibility for China's socialist construction, and the CPC's important position in the international communist movement, we should regard learning and studying basic Marxist theories and studying and exploring major contemporary political, economic, and social theories under the guidance of Marxism as a pressing task of the whole party." This is at once a major issue regarding future of China's reform and opening up and China's image in the 21st century and a matter of fundamental significance to unswervingly adhering to the party's basic line for 100 years to come. The broad masses of party members, especially leading cadres at all levels, should strive to learn and study Marxism-Leninism Mao Zedong Thought, especially Deng Xiaoping's theory of building socialism with Chinese characteristics; firmly grasp their scientific system and spiritual essence; and energetically heighten theoretical and political standards.

(Editor's note: A total of eight theoretical articles on drawing a demarcation line on certain important and basic issues have now been published. Seven other theoretical articles were previously published on 1 April, 8 April, 15 April, 17 April, 22 April, 28 April, and 29 April respectively.) [end editor's note]

PRC: SEC Official on Employment Problems of 96 College Graduates

96CM0362A Beijing **ZHONGGUO QINGNIAN BAO**
in Chinese 18 Apr 96 p 1

[Interview with concerned State Education Commission [SEC] official by Gao Jun (7559 1498); place, date, and occasion not given: "What Are the Job Prospects for 1996 College Graduates? How Are We Solving the Employment Difficulties of Women College Students? What Should Graduates Pay Attention to When Taking Part in Two-Way Choice?"]

[FBIS Translated Text] With the task of finding jobs for 1996 college graduates at hand, I recently interviewed a concerned SEC official on the employment problems of concern to our many college graduates.

[Gao] Would you please discuss the job prospects for 1996 college graduates?

[SEC Official] As 1996 is the first year of the Ninth Five-Year Plan, a crucial year for getting all work off to a good start, job prospects for 1996 graduates are better than in past years. And while overall [jobs] demand is roughly the same as in 1995, there are slightly less graduates in 1996 than there were in 1995. But despite that, several major conflicts limiting graduates' job opportunities have not yet been essentially eliminated. For instance, the imbalance between disciplines and specialties still exists, with engineering demand quite brisk, where the supply-demand ratio in some disciplines is as high as 1:10 or even more, while supply exceeds demand in certain other specialties such as literature, history, and science. And the regional imbalance still exists, with coastal developed zones and large cities having "brisker demand," while economically undeveloped regions and rural areas have become "forgotten corners." Meanwhile, due to the change in the concept of talent, a college degree imbalance has appeared, with demand larger for graduates with advanced degrees, and smaller for those with lower degrees. So the job prospects for 1996 graduates are still not optimistic.

[Gao] In addition to these objective factors affecting graduate job prospects, are there other influencing factors?

[SEC Official] Another crucial factor affecting graduate job prospects is their higher job expectations. Most

graduates aspire to work in large cities, large organizations, and positions involving foreigners, even to the point of refusing other jobs in pursuit of higher pay and benefits. So while medium and small cities, remote border regions, and rural areas urgently need talent, graduates are generally unwilling to work there. And the so-called good positions in large cities have been filled over a number of years, so that except for a very few specialties, they have no urgent demand for graduates. As this conflict has become one of the major factors limiting graduate job opportunities, we would hope that our many graduates will face up to the matter pragmatically, adjusting their expectations where possible, to go and perform meritorious work service at grass-roots places where their country needs them most.

[Gao] With most graduate jobs now using the employment method of "supply and demand meeting face-to-face for two-way choice," would you please discuss this method?

[SEC Official] In line with the "Chinese Educational Reform and Development Program" and its implementation needs, our college graduate employment reform is aimed at an employment system in which the state arranges jobs for a minority of graduates, while the majority of students choose their own jobs independently. For the short term, the state will in principle remain liable for recruiting students within state assigned plans, arranging jobs within certain limits, with colleges and personnel units "meeting face-to-face as supply and demand" to meet graduate employment plans, while we gradually move to "two-way choice" by graduates and personnel units. In other words, "face-to-face meetings between supply and demand for two-way choice" certainly does not mean unlimited choice, but rather choice within state-set limits, which are generally set by the department responsible for the college. Those who would not like to be subject to state restraints, yet would demand that the state "give them the whole inside story," will find it infeasible.

[Gao] How are you dealing with the employment difficulties of women college graduates?

[SEC Official] As the employment difficulties of women college graduates is a very glaring problem with diverse and quite complex causes, we have always paid it particular attention. The SEC has repeatedly emphasized in its pertinent graduate employment policy and documents that no work unit may refuse to hire qualified graduates, particularly women graduates. But despite the policy guarantees, a few personnel units have been using "two-way choice" as a pretext for overemphasizing their personnel decisionmaking power [employment autonomy], which has caused the social problem of some

women graduates finding it hard to get jobs. To solve the problem, I hold that: 1) We need to rely on the understanding and support of those in all circles, with personnel units in particular practicing gender correctness; 2) We need to rely on colleges to actively recommend and guide; 3) Women graduates need to improve their own skills and quality, avoiding the most popular positions, and adjusting their expectations, to choose places and positions where the demand is greater.

[Gao] What about graduates who cannot find jobs through "face-to-face meetings between supply and demand" and "two-way choice?"

[SEC Official] China's graduate employment work has formed an official network, sharing information among regions and colleges, with all provinces, districts (cities), and counties having departments or guidance agencies in charge of graduate employment work, whose major responsibility is to provide service to graduate employment. So you graduates in such a situation should not be anxious, as the departments and agencies in charge of graduate employment at all levels are serving you, so that with your close coordination, I believe that all of you who are qualified will find jobs.

[Gao] What should graduates pay attention to when taking part in "two-way choice?"

[SEC Official] First, this needs to be carried out with the detailed guidance of the college. We need to be on guard against the current social trend of a so-called profit-oriented talent market, which lends itself readily to fraud. As long as graduates act under the centralized planning of their colleges, taking along college-issued graduate employment agreements when they take part in "face-to-face meetings between supply and demand for two-way choice" activities organized especially by the departments in charge of graduate employment at all levels or their colleges, their chance of success can be guaranteed.

[Gao] Once enrollment is "merged," how will graduates find jobs?

[SEC Official] Enrollment "merger" refers to a mechanism in which college enrollment will not set regulatory plans (in areas such as appointed study or self-pay), which will be merged instead into state planning. Meanwhile, students will be admitted based on their grades, paying some of their own college costs. This mechanism is aimed at preserving the public principle of education and raising educational quality, while breaking with the idea that college costs should be borne completely by the state, to show that a college education is not a [state] obligation. There is a misconception in our society now that if students pay their own costs, they should have employment freedom once they graduate, which is wrong. As students pay only 10-20 percent of their training costs, it is wrong to exchange that for 100-percent employment freedom. Meanwhile, as service to the country's needs is the responsibility and obligation of every college student, the state is stipulating that students enrolled after the "merger" will have to be guided by state employment principles and policies, choosing their own jobs only within set limits.

[Gao] My last question is, as I understand it certain college sophomores and juniors are starting to make contacts with work units, what is your view of that?

[SEC Official] While this certainly exists, it is being done on an individual basis. But I hold that the talent demand of personnel units is dynamic, not static. So as college sophomores and juniors making contacts in advance with work units is distracting and overtaxing, diverting energies and affecting studies, while interfering with regular graduate employment work, I would advise college students not to make contacts with work units too far in advance.

North Region

PRC: Beijing People's Procuratorate Work Report
SK1206060096 Beijing BEIJING RIBAO in Chinese
18 Apr 96 p 7

["Excerpts" of the work report of the Beijing Municipal People's Procuratorate presented by Chief Procurator He Fangba at the fourth session of the 10th municipal People's Congress on 1 April]

[FBIS Translated Text]

I. The Key Tasks of 1995

In 1995, under the leadership of the municipal party committee and the Supreme Procuratorate, and under the supervision and support of the municipal People's Congress and its Standing Committee, all levels of procuratorial organs in the municipality worked in close conjunction to the general task of the party and the government. We earnestly implemented the guidelines provided by the party Central Committee in regards to the work for Beijing as well as the guidelines given by General Secretary Jiang Zemin in the important speech that he made during his inspection of Beijing. We persisted in applying the work principles of "simultaneously gripping business operations and contingent construction" and of "strictly enforcing the law and going all out to handle cases." We solemnly fulfilled the supervisory functions according to the regulations established during the third session of the 10th Beijing municipal People's Congress. New progress was made in all tasks. Contributions were made in maintaining the stability and economic development of the capital.

(1) The central authority's integrated plan for the anticorruption struggle was earnestly implemented, and crimes such as corruption, the taking of bribes, and so on were severely punished.

Last year, all levels of procuratorates earnestly implemented the central authority's guidelines to deepen the anticorruption struggle. The crackdown on economic crimes, such as corruption and bribery, was continuously taken as the key procuratorial task. Efforts were concentrated on investigating and handling major and serious cases, especially cases occurring in the leading party and in government organs, judicial organs, law enforcement administrative organs, and economic management departments. There were 1,085 economic crimes registered and investigated concerning corruption, bribery, etc., an increase of 11.3 percent over the previous year. Among them, there were 373 cases of corruption, 381 cases of bribery, 188 cases of embezzlement, and 143 other cases. A total of 857 of these cases were completed. A total of 230 million yuan worth of illicit money and materials was recovered during the in-

vestigations, over 3 times the amount from the previous year. A positive result was definitely achieved in punishing economic crimes such as corruption and bribery. The main accomplishments were made in:

First, a number of criminals who had leading positions and a relatively large influence in society were investigated for corruption and bribery and handled. Focus was placed on investigating and handling economic crimes involving leading cadres at and above the county or section level in corruption and accepting bribes. A total of 114 such cases was registered, an increase of 46 percent over the previous year. Among them, 23 cases involved cadres at the bureau level, or 2.6 times that of the previous year. The number of cases involving leading cadres investigated last year was the highest in our history. These people used their position of power to achieve personal gains or to trade money with power. Their criminal behavior directly damaged the image of the party and the government. It created an extremely bad impact on the people and was definitely the focus of the anticorruption struggle. The fact that procuratorial organs investigated and handled so many crimes involving leading cadres in one year was an important reflection of the deepening of the anticorruption struggle in our municipality.

Second, the number of major and especially large cases that were investigated increased on a large scale. Seven hundred twenty-two major economic cases, such as corruption and bribery, were registered and investigated involving a total of over 10,000 yuan each, consisting of 66.5 percent of the total cases registered or an increase of 13.5 percent over the previous year. Among them, 270 cases were especially major cases involving corruption and bribery of over 50,000 yuan each and embezzlement of over 100,000 yuan each, an increase of 28 percent over the previous year. Included in the particularly major cases were 28 cases involving over 500,000 yuan and under 1 million yuan each, an increase of 40 percent over the previous year. There were 32 cases involving over 1 million yuan each, or 2.5 times that of the previous year. It was a record to have so many major and particularly large cases solved in a year.

Third, new progress was made in investigating the crimes occurring in the three organs and one department. There were 176 economic crimes registered and investigated that involved corruption and bribery committed by personnel of leading party and government organs, law enforcement administrative organs, judicial organs, and the economic management department. Among them, 67 cases involved cadres of leading party and government organs, 36 involved cadres of law enforcement administrative and judicial organs, and 73 involved personnel of the economic management department. In investigat-

ing and handling cases involving the three organs and one department, we paid special attention to investigate and handle graft and bribe-taking committed by judicial personnel.

Fourth, we were determined to crack down on the various modern criminal activities that directly endangered the reforms. Last year, we paid attention to working closely in conjunction with the party and the government to enhance the implementation of the macro-control policy so as to resolutely crack down on the modern crimes that obstructed the implementation of the important reform measures. A total of 32 cases were registered and investigated involving crimes in banking, financial security, futures, housing, and real estate markets. There were 64 cases involving forgery, illegal selling, and issuing of fake value added tax receipts, and the usage of fake receipts to dodge or evade tax. There were 13 cases involving crimes committed by legal persons and 10 cases concerning trademark imitations. We dug up a total of 36 cases involving staff of the banking system committing criminal activities such as corruption, accepting bribes, and embezzlement by using their position power or other measures to illegally grant or guarantee loans. Among these cases, there were 6 cases involving over 10 million yuan each. These cases drew great attention from the leading comrades in the central authority and related departments.

Fifth, the reporting and preliminary investigation work were further strengthened. All levels of procuratorates further improved the reporting system and earnestly worked on the complaints and reports received by letter and visits. There were 4,966 cases reported and tipped off by such methods last year. Among them, 2,138 cases underwent preliminary investigation, and 397 cases were later registered, an increase of 34.6 percent over the previous year. All levels of procuratorates renewed their telephone reporting hot line to encourage citizens and units to actively report crimes. Attention was paid to protect the rights and interests of the reporting party according to the law. Commendation and prizes were awarded to 28 units and 31 advanced individuals who contributed to fighting crimes by reporting them.

The followings were the key measures that were adopted to punish the economic crimes such as corruption and bribery:

First was to unite the ideology and heighten the recognition. The central authority stressed at numerous times that anticorruption was a big issue that affected the fate of the party and the country. After the Chen Xitong and Wang Baosen cases were exposed, the prodigious police cadres further recognized the important responsibilities that they were laden with. We seriously organized

the police cadres to learn the series of directives issued by the central authority, the municipal party committee, and the Supreme Procuratorate regarding how to deepen and develop the anticorruption struggle. In this vein, the importance, the complexity, the protracted nature, and urgency of further enhancing the anticorruption struggle was recognized and the confidence of the police cadres was affirmed. Measures such as early arrangement, diligent inspection, frequent guidance, careful study, stress on regulatory work, and all-out efforts to handle cases were adopted in our work. They enabled the investigation of major and serious cases during the anticorruption drive to go deeper and deeper. Second was to strengthen leadership. All levels of procurators were personally involved in the investigation of major and serious cases. The procurators of the municipal and branch procuratorates personally gave specific guidance and made coordination during the investigation and handling of all the major cases and serious and especially big cases where cadres at or above the bureau level were involved in the crimes. The municipal and the branch procuratorates assigned people to help handle some of the serious and especially big cases or difficult cases. A higher level procuratorate might also take over the case or the case might be transferred to another place for investigation. Third was to heighten the investigation concept and dig deep into serial cases and hidden cases. According to statistics, over 30 percent of total cases registered were cases discovered during investigation of other cases. Xicheng District Procuratorate discovered 17 criminals when investigating and handling another case. Chongwen District Procuratorate dug up 14 major and serious corruption cases from working on a small case. Fourth was to insist on remaining resolute and prudent while adhering to the principle of accuracy. Vigorous efforts were dedicated to improve the case handling efficiency and maintain stringent standards for every case.

(2) All-out efforts were devoted to maintaining the stability of capital. Stern and prompt blows were used to crack down on serious criminal activities according to the law.

Last year, all levels of procuratorates gave top priority to the task of maintaining stability for the capital. Under the unified leadership and planning of the municipal party committee and by working in close conjunction with the other judicial organs, they brought procuratorial functions into full play. The principle of cracking down on serious criminal activities with stern and prompt blows according to the law was unswervingly carried out. A total of 11,714 arrests applied by the public security organs and state safety organs were approved, an increase of 7.3 percent over the previous year; 12,383

criminals were prosecuted, an increase of 6 percent over the previous year. Among the persons prosecuted, 2,632 were involved in major and serious cases, and 730 were involved in particularly big cases, up by 12.6 percent and 57.3 percent respectively over the previous year. The main tasks done during the crackdown struggle were as follows:

First, we focused on key tasks. All levels of procuratorates steadfastly aimed their crackdown efforts at the serious violent crimes and the heinous crimes that were influential and damaging to society. Focus was placed on driving out thugs, evil forces, gangster-related organized crimes, and armed crime. We joined forces with public security organs and courts to energetically participate in special struggles such as the spring crackdown drive organized by the municipal party committee and the municipal government and the crackdown movement to stamp out prostitution; illegal manufacturing, selling, and storage of guns; stealing; vandalizing post, telecommunications, water supply, railroad, transportation, and agricultural production materials; and similar crimes. Important rectification activities such as cleaning up electronic commodity markets and eliminating pornographic audio and video production were also actively participated in.

Second, the crackdown force was increased. The new kinds of crimes occurring in the markets for essential elements of production which caused the loss of large amounts of state-owned assets were seriously investigated and studied. The boundary between guilty and not guilty was strictly drawn and crimes were resolutely punished according to the law.

Third, the procuratorial work to ensure national safety was reinforced. All levels of leaders and all of the procuratorial police cadres steadfastly maintained clear political minds and high alertness. Close attention was paid to the situations of society and the enemy. Hence, feedback information could be sent to higher level organs on a timely basis. We worked closely with state security organs and made use of the legal weapons to approve arrests and prosecute the criminals who obstructed the safety of the country promptly and according to the law. All these contributed positively to maintaining stability in the capital.

Fourth, the comprehensive social order management was seriously and properly carried out. All levels of procuratorates incorporated the comprehensive management into their important work itinerary. Many measures were adopted to develop the procuratorial work and every intermediate link. There were more than 1,200 occasions in which the procuratorates went deep into neighborhoods, schools, and enterprises and institutions to

teach the legal system knowledge. The procuratorates also made over 1,400 proposals in regards to the problems discovered during the investigation and handling of cases. The work on educating, rehabilitating, and rescuing young offenders was stressed. The procuratorates worked closely with the public security organs and courts to select typical and influential cases to execute public arrests and judgment. Propaganda on the legal system was carried out through the press, television, broadcasting, and other news media. The two different types of contradictions were seriously distinguished and properly handled. Appropriate mediation work was done to deal with collective visitation incidents so as to eliminate the cause of conflicts and to maintain stability.

(3) Further strengthen law enforcement supervision and ensure uniform and proper implementation of the state laws.

Last year, all levels of procuratorates adhered closely to the two principles of punishing economic crimes such as corruption and bribery harshly and strictly and of dealing stern and prompt blows to serious criminal crimes. The procuratorial provisions stated in the current laws and regulations were properly and adequately used to deal with the intermediate links of the procuratorial work. Law enforcement supervision was carried out fully, according to the law.

The procuratorial work to deal with law and discipline breaches was further enhanced. There were 241 cases concerning law and discipline violations such as abusive use of power and dereliction registered in the year, an increase of 27.5 percent over the previous year. The focus of our work was placed on investigating and handling of major and serious cases, in particular the investigation of judicial personnel engaged in favoritism, committing irregularities, grafting, bending the law, and sheltering and protecting criminals, to remove the obstacles and clear the road for the anticorruption drive and the crackdown movement. Thus, the development of the anticorruption drive and the crackdown movement was deepened. The law and discipline enforcement departments strengthened the ties with departments involved in the anticorruption drive; departments related to criminal prosecution, prisons, houses of detention, centers for reeducation through labor, and civil prosecution; and so on. Every lead was dug into deeply and sources for cases were expanded. The procuratorates and the mentioned departments, by complementing each other's work, formed a joint force. This action enabled new breakthroughs to be made in the investigation work in cases such as committing irregularities for personal gains. A total of 12 such cases, which is double that of last year, were registered and investigated in the year.

Certain progress was made in supervision over investigation. Crackdown forces were mobilized to deal with the ineffective phenomenon caused by not investigating and not affixing legal responsibility to criminals, not registering cases, replacing imprisonment with fines, etc. Case registration supervision was heightened. A total of 5 cases and 7 people involved were put on file for independent investigation according to the 13th regulation listed in the Criminal Procedural Law. Attention was paid to handling and investigating each case stringently so that not a single innocent person was convicted and not a single criminal was set free. There were 163 arrest applications that were denied, 631 people were sent back for further investigation, and 51 warrants were sent out for sought-after criminals.

Trial and judgment supervision was further strengthened. The supervisory emphasis was on the second trial, especially on the counter appeal work. Whenever definite mistakes were found in the physical sentencing or in the trial procedures of a case, counter appeals would resolutely be filed according to the law. There were 356 second trial cases involving 820 people that were handled in the year. Among them, the counter-appeal trials of 27 cases involving 42 people were completed, and the original sentences of 7 cases or 13 people were changed. All levels of procuratorates paid close attention to the investigation and prosecution of cases. All cases were investigated strictly according to the law. The procuratorates decided not to prosecute 23 people on file, while 123 criminals were tracked down for prosecution.

The supervision of the procuratorial work in the prisons, houses of detention, and centers for reeducation through labor was further enhanced. The focus was placed on investigating crimes committed by judicial personnel such as bending the law and committing irregularity for personal gains in the process of handling sentence reduction, releasing criminals on bail, and granting medical parole. Whenever such guilty conduct was found, criminal offense punishment was definitely sought according to the law. There were 10 cases involving 10 police cadres committing crimes in the prisons, houses of detention, and centers for reeducation through labor that were put on file for investigation. Also, the procuratorial work was enhanced to investigate crimes occurring both inside and outside the prisons, houses of detention, and centers for reeducation through labor. There were 127 procuratorial proposals and 50 discipline violation correction proposals issued in the year. The task to standardize, systemize, and regularize the procuratorial work in the prisons, houses of detention, and centers for reeducation through labor was further intensified.

The procuratorial departments in charge of civil and administrative cases energetically and actively developed

the work according to the Civil Procedural Law and the Administrative Procedural Law. The departments expanded the sources to discover cases by enhancing propaganda and by taking an active role to contact the law offices and related units. There were 303 appeal cases received last year and 112 of them were registered, up by 123 percent and 143 percent respectively over the year before. There were 8 cases found to have been wrongly tried and punished. These cases were filed for counter appeal according to the law. There were 9 cases proposed to the courts for retrial and for changing the original sentences. The first example of civil counter appeal cases filed by the municipal procuratorate was tried again and the original sentence was changed.

Prosecution and appeal departments actively developed the "civilized reception office" campaign to seriously handle the receiving tasks such as complaints received by mail and visitation. The prosecution and appeal sections of the procuratorates in Shunyi County, Dongcheng District, and Haidian District were honored as the "civilized reception office for prosecution and appeal" of the national procuratorial system. All levels of procuratorates received a total of 465 appeal cases, of which, 137 cases were registered. A total of 6,696 cases received through letters and visits were handled. Last year was the first year in implementing the State Compensation Law. The municipal procuratorate established special organs and the district procuratorates were also equipped with special staff to handle the implementation work. There have been two compensation cases that were received and under investigation up until now.

Internal control was further reinforced. The arrest function was strictly separated from the prosecution function. The work system of independent investigation and reporting of cases not being prosecuted and the requirements for the procuratorates to ask for instruction, report, and record case when dealing with major and serious cases were strictly implemented. Measures such as getting special people to investigate a case, having collective discussion, and having the leaders examine and approve the investigation were adopted in handling cases. The procuratorial committee discussed and made decisions on major, serious, and difficult cases. Last year, investigation was conducted on 147 cases that were exempted from prosecution, and 44 of them were sent back for further investigation and prosecution. This way, the quality of investigation regarding cases not being prosecuted was improved.

(4) Insist upon the principle of building procuratorates according to the law and strictly administering the procuratorial work and further strengthen the contingent construction.

All levels of procuratorates insisted on adopting the principle of building procuratorates according to the law and strictly administering the procuratorial work. The "Outlines of the Three-Year Plan for Party Building" formulated by the municipal party committee was seriously implemented. The aim was to use party building to mobilize the contingent construction. All-out efforts were devoted to improving the overall quality of the contingent by adopting multiple measures.

First, the construction of the leading bodies was strengthened. All levels of leading bodies gave top priority to ideological construction and emphasized the learning of political theories. Democratic centralism was improved. Scientific and democratic policies were resolutely adopted. Methods such as assigning heavy tasks, switching positions, directional training, and scheduled inspection were adopted to strengthen the training and nurturing of reserve cadres. At the same time, a number of young cadres were selected to fill the leading positions at various levels in the procuratorates, departments, and sections.

Second, while learning, publicizing, and implementing "Procurator Law," we strengthened the scientific and regular management of the contingent according to the law to improve the professional and educational qualifications of the police cadres. With the introduction and implementation of the "Procurator Law" and publicity of our work, we established the hiring, promotion, and rewarding and punishing systems according to the law. Based on the personnel management system reform in the previous two years, the encouragement mechanism "promoting capable people, making mediocre people make way for others, demoting the inferior, and dismissing poor performers" gradually took shape. Professional and educational trainings were conducted in many forms. The proportion of police cadres with an education at or above the university level in the procuratorial system reached 82.3 percent, or surpassed the target for the Eighth Five-Year Educational Plan by 2.3 percentage points.

Third, honest and diligent administration was vigorously sought. All levels of leading cadres performed self-inspection strictly and earnestly according to the various regulations issued by the Central Discipline Inspection Commission, the municipal party committee, and the Supreme Procuratorate. Measures requiring strengthened efforts in honest and diligent administration were established and implemented according to the actual situation. Problems regarding discipline and law violations were dealt with strongly and without mercy. Criminal responsibility was definitely affixed to each criminal who was convicted. The movement of "learning from heroes, creating good images, and participating in mak-

ing contributions" was vigorously developed. The selection of the 10 best procurators and the 10 best secretaries and a series of other activities to encourage people to learn from exemplary members of the Communist Party such as Kong Fansen and Li Runwu were also energetically developed. This way, the police cadres were taught to build a proper world concept and life concept.

We have made definite accomplishments in all procuratorial tasks. However, the work development in the entire procuratorates is still not well balanced. There are many deficiencies that remain. The main problems are: The study and handling of the new situation, new problems, modern crimes and the application of the new law in particular, are inadequate. Sometimes, the measures and policies adopted to deal with the situation or problem are not sufficient, timely, or effective. Some cases take too long to investigate and that affects the effectiveness of the work. Due to the overloading of work for a long period of time, some police cadres are getting tired of the battle against crimes and some are even waiting for help and are afraid of difficulties. Despite repeated injunctions, law and discipline violations still happen in the contingent. We are now working diligently to resolve these problems.

II. The Key Points of Our Work in 1996

In 1996, the procuratorial organs must adhere closely to the central task of economic development. We must obey and serve the overall work and macro-control policy of the party and the government. The legal supervisory function must be brought into full play. Extensive efforts should be put in to create a stable social environment, an excellent legal environment, and to ensure a good situation and good start for the Ninth Five-Year Plan for economic and social development and the long term targets for the year 2010. According to the work plan of the municipal party committee and the Supreme Procuratorate, and based on the actual procuratorial work situation of our municipality, we have defined the tasks for this year as follows: Under the guidance of Ding Xiaoping's theory of building socialism with Chinese characteristics, we will earnestly implement the guideline of the fifth plenary session of the 14th party Central Committee and the national political and legal work conference, insist on carrying out the basic party lines and basic party principles, and persist in the guiding policies of servicing the socialist market economy system's development and economic construction. The guideline given by General Secretary Jiang Zemin in his important speech made during the inspection in Beijing must be seriously implemented. The anticorruption development must be deepened, and major and serious cases must be investigated. Unremit-

ting efforts must be devoted to crack down on criminal crimes according to the law. The law enforcement supervision must continue to be enhanced. Various procuratorial work must be developed fully. The construction of contingents must be further strengthened. The legal supervision function must be brought into full play. Efforts must be concentrated on maintaining social stability. As a result, the economy of the capital city will maintain sustained, rapid, and healthy development. We ask all of the procuratorial police cadres, especially the leaders at various levels, to keep an even more vigorous attitude, to set even higher work standards, and to demonstrate a more down-to-earth style to diligently improve the case handling quality, efficiency, and performance. We will strive to achieve the first-class work standard, first-class work results, and first-class work experience in the nation's procuratorial system.

In order to complete all tasks of the year and meet all the aforementioned requirements, we must focus on getting the following work accomplished:

(1) Continue to deepen the anticorruption development and the investigation of the major and serious cases.

The investigation and handling of major and serious economic crimes such as corruption and bribery in key departments must be further deepened. The emphasis must be placed on investigating and handling corruption, bribery, and other related crimes occurring in the leading party and government organs, the law enforcement administration organs, judicial organs, the economic management department, and particularly cases involving leading cadres at and above the county or section level. The crimes occurring in the state-owned enterprises and institutions, district and county organs, and township offices must be seriously investigated and handled. The criminal activities that threaten the implementation of major reform measures must continue to be cracked down so that a normal economic order can be maintained.

Leadership for investigation and handling of cases must be augmented. All levels of procurators should concentrate their work on major and serious cases. We must insist on having one level check on the next level, one level help the next level, and every level pay attention to implementing work. The power for cooperative combat should be enhanced. The overall functions of the procuratorial organs should be brought into play even further. The reporting and preliminary investigation work should continue to be strengthened. The policy of being resolute, prudent, and accurate in investigation must be insisted on so that the line between guilty and not guilty can be clearly drawn. The quality of a case must be ascertained and the case handling

efficiency must be improved. The preventative work to prevent crimes must be further reinforced.

(2) The crackdown struggle must be unswervingly developed and an all-out effort must be devoted to maintaining stability in the capital.

All police cadres must further heighten the awareness in the capital, the function, and the situation of the enemy. Each one should build up the ideology of long-term battle, carry out the principle of dealing stern and prompt blows to crimes according to the law with unremitting efforts, and do his best to maintain stability in the capital.

The crackdown force must target violent crimes, thugs, evil forces, and gang activities involving organized crimes. We must focus on stamping out heinous crimes and crimes committed by escaped criminals such as crimes involving arms, explosives, and robberies. The special struggles organized together by the municipal party committee and the municipal government should be participated in energetically. The crackdown struggle should be combined with the key rectification tasks. We should work together with the public security organs and the courts to resolutely investigate and prohibit prostitution, manufacturing and selling of pornography, drug trafficking, drug abuse, and other ugly social phenomenon. Close attention must be paid to the situation of the enemy on the covered fronts inside or outside our territory. The procuratorial work on state security should be enhanced. The various integrated social order management measures should be seriously implemented in every link of the procuratorial work. The Criminal Procedural Law which was passed and amended in the fourth session of the eighth National People's Congress have set forth an even higher standard for the procuratorial organs in regards to the independent investigation and prosecution work. We must adopt effective measures to improve our ability to independently investigate and set the standard for the prosecution to meet the current demand.

(3) The law enforcement supervision standard should be further enhanced to maintain an uniform implementation of the law and a fair judicial system.

The two principles of dealing stern and prompt blows to serious criminal crimes according to the law and cracking down on economic crimes harshly and strictly according to the law should continue to be followed closely. The work standard should be improved. The law enforcement supervision should be further enhanced through proper arrangement of the work plan, leadership efforts, and personnel. Focus must be assigned to supervising key problems regarding law violations during law enforcement and crimes committed by law enforcers.

In the procuratorial work concerning law and discipline enforcement, the force in investigation and case handling should be expanded. The focus is on investigating and handling major and serious cases. Cases in which judicial personnel or law enforcement administrative personnel take bribes and bend the law to engage in favoritism and commit irregularities and staff who commit dereliction should be treated as the most important task among the key tasks. These cases must continue to be investigated and handled. The focus of investigation supervision should be placed on preventing the overlooking of crimes, coming to wrong conclusions, and making retroactive arrests and prosecutions. Prompt actions should be taken to correct problems such as not registering cases, not investigating and not affixing legal responsibility to crimes, replacing physical imprisonment with fines, and so on according to the law. The supervision of criminal trials should focus on the mistrials and wrong sentencing resulting in acquittal of criminals, light sentences for serious crimes, heavy punishment for petty crimes, and so on. Particularly when sentences for serious crimes are being reduced, suspended, or when criminals are released easily contrary to the law, we must resolutely file for counter appeals in accordance with the law. The focus of the procuratorial work on prisons, houses of detention, and centers for reeducation through labor should be placed on correcting situations such as criminals who should have been put into prison but are not in prison, reducing a sentence illegally, releasing on bail, granting medical parole, replacing criminal punishment with money, etc. The stress is important because these activities affect the proper enforcement of judgment and sentencing. The work in reporting and appeals should be enhanced. Crimes concerning revenge on people who report crimes and using false reports to frame someone must be seriously investigated and punished. The "State Compensation law" must be earnestly implemented and criminal compensation work should be done properly. Procuratorial work concerning civil and administration cases should focus on counter appeal work. Judgment on civil and administration cases that have already taken effect legally but is definitely wrong should resolutely be filed for counter appeal according to the law.

The internal control system in the procuratorial organs should be seriously implemented. The position authority must be used according to the law. Using unauthorized position power and abusive use of position power are absolutely not allowed.

(4) Further strengthen the self-development of the procuratorial organs and vigorously improve the overall quality of the contingent.

The practice of the principles of promoting both spiritual civilization and material civilization simultaneously and building procuratorates according to the law and administering procuratorial work strictly should continue to be insisted upon. The contingent construction should be further enhanced. Ideological and political construction should be given the highest priority. The education emphasis should be placed on teaching Deng Xiaoping's theory of building socialism with Chinese characteristics and the principle of serving the people. The movement of learning from Comrade Kong Fansen and Comrade Li Runwu should continue to be developed vigorously. Hence, the police cadres will be led to build a proper world concept, life concept, and value concept. Political quality should also be improved with extensive efforts.

Focus should be placed on building the leading bodies. All levels of procurators should be concerned about politics and keep abreast with the party Central Committee in ideology and politics. Every procurator should protect the authority of the party Central Committee voluntarily. We must insist on and improve democratic centralism. The exchange of leading cadres among districts and rotation of hot point positions should be advocated. The training and selection of reserve cadres should be strengthened. The construction of grass-roots party organs should be further enhanced. The competition in the creation of excellence should be vigorously developed. The "Procurator Law" should be seriously implemented. The procuratorial contingent should be managed scientifically. The institutional reform should be properly executed. The education and training tasks should continue to be worked on.

The construction of honest administration and diligent administration should continue to be gripped properly. The three tasks including the promotion of self discipline and honesty of the leading cadres, the correction of improper practice of some trades, and the strict investigation and handling of discipline and law violations committed by police cadres should be carried out to a further extend. The various management systems should be improved and perfected. The actual implementation of the systems should also be properly carried out. Eventually, a solid contingent of people who are honest, reliable, well trained, professionally knowledgeable, well-disciplined, good in work styles, and enforcing the law fairly will be constructed.

PRC: Beijing People's Court's Work Report

SK1306032896 Beijing BEIJING RIBAO in Chinese
16 Apr 96 p 7

["Excerpts" of work report of Beijing Municipal Higher People's Court presented by Court President Sheng

Liangang at the fourth session of the 10th municipal people's congress on 1 April]

[FBIS Translated Text] I now submit the report to the congress regarding the key tasks done by the courts in the municipality in 1995 and the suggested tasks for 1996 for your examination and approval.

The Main Tasks of 1995

Over the past year, under the leadership of the Beijing Municipal CPC Committee and under the supervision and guidance of the municipal people's congress and its standing committee and the Supreme Court, all levels of courts in the municipality carried out the contingent construction, strengthened the various trial tasks in all aspects, served the capital in areas relating reform, development, and stability, and worked in close conjunction with the general task of the party and the government and in accordance with the resolution on strengthening the court task of the third session of this congress. In 1995, all levels of courts in the municipality received a total of 96,803 criminal, economic, civil, administrative cases and cases on intellectual property rights, an increase of 17.2 percent over the previous year, or 59.6 percent over that of the final year of the Seventh Five-Year Plan period in 1990. The number of cases completed totalled 95,629, an increase of 17.3 percent over the previous year. The work contributed positively to maintaining social stability and protecting reform, opening up, and economic and social development.

I. Strengthen the Various Trial Work and Maintain Stability in the Capital With an All-Out Effort

Over the past year, all levels of courts in the municipality strengthened the various trial work in all aspects. All-out efforts were devoted to creating a good social environment for reform and development in the capital.

(1) Criminals Who Seriously Endanger Social Order Were Punished Harshly

All levels of courts in the municipality adopted the principle of dealing severe and rapid blows to and harshly punishing the violent crimes that seriously endangered social order and the lives and property of the people, according to the law. There were 4,452 criminal cases involving 8,151 people tried and concluded in the first trial in the year. Among them, 4,218 people were given sentences to over five-year prison term, life imprisonment, and death sentence (including postponed execution date), up by 4 percentage points over the previous year.

In light of the actual social order situation in the local district, all levels of courts in the municipality worked

closely with the public security organs and procuratorial organs to develop special struggles promptly and organized meetings to publicly announce sentences to severely punish a number of criminals who committed serious criminal crimes. There were 104 such meetings held in the year and the sentences of 496 criminals were announced in public. A total of 110,000 people attended these meetings.

(2) Criminals Committing Economic Crimes Such as Corruption, Bribery, and Embezzlement Were Severely Punished

All levels of courts in the municipality continued to give harsh punishment to criminals who committed various types of serious economic crimes. There were 2,339 economic cases with 4,132 people involved tried and concluded in the year. Among them, 1,628 people were sentenced to over five-year prison term, life imprisonment, and death sentence (including postponed execution date), an increase of 5.7 percentage points over the previous year. All levels of courts in the municipality continued to focus on the crackdown on corruption, bribery, embezzlement, and other serious corruption related economic crimes. Among the 495 criminals involving in corruption, bribery, and embezzlement whose sentences already took legal effect, 234 were sentenced to over five-year prison term, to life imprisonment, and to death (including postponed execution date), an increase of 7 percentage points over that of the previous year.

Since last year, all levels of courts also enhanced the trial and handling of the major and serious cases. A total of 272 major cases concerning corruption, bribery, and embezzlement, with each case involving an amount of over 10,000 yuan, were tried and concluded in the year. Among the criminals tried, there were 5 cadres at the bureau level and 15 cadres at the section level.

(3) Criminals Who Threatened the Reform and Opening-Up Programs and Obstructed Economic Order Were Harshly Punished

During the past year, all levels of courts in the municipality took as an important task cracking down on the crimes that threatened the reform and opening-up programs and obstructed the economic order. The criminals who were prosecuted in courts with charges related to the usage of value-added tax receipts, dodging tax, resisting to make tax payments, banking frauds, smuggling and selling smuggled goods, manufacturing and selling of substandard or fake merchandise, and so on, were strictly punished according to the law. A total of 102 such cases involving 182 people were tried and concluded in the year.

(4) Various Cases Involving Contradictions That Could Be Escalated Were Promptly and Aptly Handled

For the past year, all levels of courts in the municipality always proceeded from the need to maintain stability when they tried and handled criminal, economic, civil, administrative, and other types of cases and worked on cases concerning execution of decisions according to the law. By putting in an enormous amount of profound and detailed work, 294 cases involving contradictions that could be escalated were resolved properly and promptly.

(5) The Functions of the People's Courts Were Brought Into Full Play

People's courts are where courts and people are connected and are key places where people are served. They are irreplaceable in the areas of providing convenience to people in prosecution, providing the legal serve, helping people solve problems and relieve worries, and eliminating contradictions among people. For the past year, the 65 grass-roots people's courts in the municipality tried and concluded 14,279 various types of cases, or 21.5 percent of all the cases completed in the first trial in the municipality.

II. The Economic Relations Were Regulated According to the Law and the Reform, Opening-Up, and Economic Development Were Promoted

As the socialist market economy system was gradually improved and the opening-up program continued to expand, there were more and more economic relations that needed the people's courts to regulate with legal measures. There were 12,723 economic dispute cases completed in the first trial in the courts in the municipality last year, an increase of 31.4 percent over the previous year. The amount of money involved in the cases resolved totaled over 5.32 billion yuan, an increase of 18.5 percent over the previous year.

(1) Dispute Cases Involving Buying and Selling Contracts in the Circulation Regime Were Tried and Handled According to the Law

The number of dispute cases involving buying and selling contracts in the circulation regime was the highest among economic dispute cases. About 30 percent of this kind of cases involved the big companies of the central authority and large- and medium-sized state-owned enterprises. For the past year, all levels of courts in the municipality tried and concluded 5,409 dispute cases (including cases from previous years) involving disputes over buying and selling contracts, an increase of 22.2 percent over the previous year.

(2) Cases Involving Economic Development in Rural Areas Were Tried and Handled According to the Law

In 1995, all levels of courts in the municipality tried and concluded 82 cases involving disputes over rural contracts. The legal rights and interests of the parties involved were protected according to the law. All levels of courts also punished law-breaking behavior that damaged the agricultural industry such as producing and selling substandard and fake agricultural production materials according to the law. The legal rights and interests of peasants were also protected according to the law.

(3) Housing and Real Estate Cases Were Tried and Handled According to the Law

Housing and real estate industry was a burgeoning industry. In 1995, all levels of courts in the municipality tried and concluded 745 civil, administrative, and non-prosecution cases on execution of decisions involving housing and real estate industry such as buying and selling of houses, demolition and relocation, planning, and housing management, etc., an increase of 32.2 percent over the previous year. The prompt handling and completion of these cases according to the law contributed positively to the promotion of urban construction, rebuilding of old towns, and to ensuring healthy development in the housing and real estate market.

(4) Cases Concerning Intellectual Property Rights Were Tried and Handled According to the Law

With the enhancement of the judicial protection provided to intellectual property rights, the number of intellectual property right cases received by the courts in the municipality was increasing every year. The average increase between 1991 and 1995 was 23 percent. New-style cases, major, serious and difficult cases, and cases involving foreigners were increasing continuously. Many of these cases were deeply concerned by the people of various social sectors. We treated equally both local and foreign parties involved before the applicable laws when we tried and handled the intellectual property right cases. The legal rights and interests of the intellectual property right owners were protected according to the law.

The courts not only ordered the persons who infringed on others' intellectual property rights to stop doing so and compensate for the losses of the owners of the rights according to the law, but also gave lectures to the persons, made them repent, confiscated their wealth and accumulated illegal earnings, fined them, put them into custody, and gave them other civil punishments if serious plots were involved. For those whose deeds

constituted a crime, criminal responsibility would also be affixed to them. All these increased the judicial protection provided for the intellectual property rights. There were 8 cases regarding trademark imitation and copyright infringement tried last year, and 17 criminals were sentenced.

(5) Cases Involving Foreign Countries, Hong Kong, Macao, and Taiwan Were Tried and Handled According to the Law

As reform and opening-up programs developed in the capital, more and more economic trades involving foreign parties were done. As a result, the number of economic disputes involving foreign countries, Hong Kong, Macao, and Taiwan also increased. Last year, 62 economic dispute cases involving foreign countries, Hong Kong, Macao, and Taiwan were received by the courts in the municipality, an increase of 29.2 percent over the previous year, and the amount of money involved in the court proceedings totaled nearly 450 million yuan. In trying and handling these cases, we persisted in following the principle of the state sovereignty and insisted on the principle of giving equal protection to the legal rights and interests of the parties involved, Chinese and foreign, or domestic and overseas. We provided protection to the legal rights and interests of all parties involved according to the law.

III. The Legal Rights and Interests of the Citizens and Legal Persons Were Protected According to the Law. The Construction of the Socialist Democracy and the Legal System Were Advocated

Civil and administrative cases were properly tried and handled and the enforcement work was aptly carried out. Protecting the legal rights and interests of the citizens and legal persons was an important task of the people's courts.

(1) Marriage and Family Dispute Cases Were Tried and Handled According to the Law

Nearly 50 percent of the civil cases were related to marriage and family disputes. For the past year, all levels of courts tried and concluded 21,151 divorce cases, an increase of 4 percent over the previous year. Among them, 12,072 cases, or 57.1 percent, were resolved through mediation or resolved with divorce granted. There were also 3,382 cases tried concerning upbringing of children, custody, and alimony, an increase of 15.1 percent over the previous year. In trying and handling these cases, all levels of courts seriously studied the new situation and new problems such as causes of divorce, distribution of estates, distribution of housing, custody of children, and care for the seniors, etc. Attention was paid to the protection of the benefits of women and the underaged

in making decisions on the custody of children and the distribution of housing and estate according to the Marriage Law, the Law on Protection of Women's Rights and Interests, the Law on Protection of the Underaged, and other related laws.

(2) Labor Dispute Cases Were Tried and Handled According to the Law

During the last year, all levels of courts enhanced the trial and handling of the disputes over labor contracts and cases related to wages, insurance, benefits, and other labor protection problems. There were 606 cases tried and concluded concerning labor disputes and disputes over labor remuneration, an increase of 46.4 percent over the previous year. During the trial, attention was not only paid to the protection of the legal rights and interests and the production enthusiasm of the workers, but also to the protection of enterprises' right to hire according to the law, to support the enterprises' employment and reward system reform, and to make relations between the workers and the enterprises closer.

(3) Administrative Cases Were Tried and Handled According to the Law

In 1995, all levels of courts in the municipality finished 285 administrative cases in the first trial (including the existing old cases), an increase of 8 percent over the previous year. Among them, 30.2 percent were resolved with the original decision made by the administrative organs maintained, while 44.9 percent were resolved with plaintiff allowed to withdraw the cases, or 75.1 percent altogether. The number of cases which were dismissed or had the decisions of administrative organs changed totaled 12.3 percent, the number of cases that were rejected totaled 10.2 percent, and the cases that were resolved through other measures totaled 2.4 percent. We not only protected the legal rights and interests of citizens, legal persons, and other organs, but also protected and supervised the administrative department to apply its administrative power according to the law.

(4) The Enforcement Work Was Strengthened According to the Law

Whether or not the decisions of the people's courts are enforced according to the law promptly not only affects the authority of the national legal system, but it also affects directly whether the vital benefits of the people can be protected. There were extreme difficulties in carrying out the judgment of some of the cases due to various reasons. The problem of "being hard to enforce" was faced by the courts for a long time and caused strong repercussion from the people. In recent years,

especially in 1995, with unremitting efforts, all levels of courts further strengthened the leadership provided for the enforcement work so as to improve enforcement power. The enforcement equipment continued to be improved and the enforcement force was expanded according to the law. Notable results were obtained in the enforcement work. There were 21,609 cases handled and finished in the year, an increase of 32.3 percent. The enforcement completion rate totaled 85.5 percent, and the amount involved in these cases totaled 950 million yuan.

IV. The Self-Development of the Courts Was Strengthened and the Judicial Standard Was Improved Continuously

For the past year, all levels of courts in the municipality adopted many different measures to enhance their self-development and put in extensive efforts to improve the judicial standard continuously.

(1) Persist in Enforcing the Law Strictly

First, intensive work was done to complete the implementation of the case handling standard. In order to ensure the proper implementation of the substantive law, all levels of courts in the municipality seriously promoted the various case handling standards that were established by the municipal higher court, and notable results were obtained. The trial and handling procedures were made public and cases were tried in the open court according to the law. The involved parties were asked to speak, give their reasons, and provide their evidence in court. Each court case was won fair and square or was lost with a complete understanding of the reasons. Thus, the degree of transparency of the trial and punishment work was increased. This ensured strict law enforcement and facilitated the construction of honest administration. Every intermediate link of each case was subjected to a time limit. As the case handling speed was accelerated, the problem of cases not being tried and handled promptly was eased, which was deeply concerned by the public. The judging staff, with accumulative practical experience, enhanced the ability to control court activities and distinguish the evidence. In turn, this improved the professional quality and helped train more talents.

Second, the trial supervision and professional guidance were intensified. The higher and intermediate courts brought the supervisory function of the higher courts into full play. Appeal and counter appeal cases were tried and handled according to the law. There were 6,231 assorted cases tried and completed in the second trial in the year. A total of 1,220 cases, or 19.6 percent of the cases, had the verdicts changed according to the

law or sent back for retrial because facts had not been clear, application of laws had not been proper, and legal procedures had been violated during the first instance. Among the criminal cases completed in the second trial, 35 were counter appeals filed by procuratorial organs. Seven of these cases, or 20 percent, were judged in favor of the counter appeal party and the original sentences were changed according to the law to reflect the fact that the original judgment was wrong. There were 21 cases, or 60 percent of counter appeal cases, dismissed, and the original judgment was upheld as the reasons for the counter appeal could not stand in court. There were 4 counter appeal cases withdrawn by the procuratorial organs and 3 cases sent back for retrial. According to the procedures of supervision over trials, the courts in the municipality also retried the cases in which facts presented or application of the law were proven wrong. There were 24 cases of different natures, of which judgment was corrected and changed last year. The municipal higher court strengthened professional guidance as well as supervision over trials simultaneously.

Third, the work on trying major and serious cases were gripped tightly. The leaders of various levels of courts were personally involved in the trying and handling of major and serious cases. They selected the judging staff who had a strong political sense and who were professionally knowledgeable to form collegiate benches. The facts, evidence, and applicable law for each case were properly handled. The presidents of some courts even participated directly in the trial of major and serious cases. The reporting system for major and serious cases was established and improved. Inspection was heightened. As a result, the trial and handling of major and serious cases were worked on practically.

(2) Strengthen the Contingent Construction

In order to enable the contingent to meet the requirements of the trial task, all levels of courts in the municipality adopted numerous kinds of measures to improve the contingent in the past year.

First, ideological and political development of the police cadres were strengthened. The police cadres were organized to seriously learn political theories; educated to build a proper world concept, life concept, and value concept; taught to use the judging power properly; and trained to serve the people better. Last year, a number of advanced collectives and individuals surfaced in the courts in the municipality.

Second, the professional training and education qualifications of the police cadres were enhanced. Many methods were adopted to organize the police cadres to learn

about the law and the profession. The police cadres were encouraged to get academic education through multiple channels and at multiple levels so as to get a better mastery of the legal weapon. At the moment, at all levels of courts in the municipality, 90 percent of the leading body members of courts and over 80 percent of the judging staff receive education at or above university level.

Third, the honest administration development and trial and punishment style construction were strengthened. Based on the related regulations of the central authority, the municipal party committee, and the Supreme Court, and combined with the actual situation of the courts of the municipality, we earnestly worked on promoting honesty and self-discipline. We also continued to improve various supervisory measures and strengthened the internal and external supervision mechanism. The law and discipline violation cases were resolutely investigated and handled whenever discovered. There were 16 law and discipline violation cases involving 17 people being investigated and handled in the year. The municipal higher court established and issued the details regarding the three systems of developing honest administration in courts, promoting honesty and self-discipline among the court staff, and investigating wrongly handled cases. Based on the requirements of the higher court and the actual situation, various levels of courts in the municipality established and implemented corresponding measures to improve the trial practice and to execute strict trial discipline.

(3) The Task of Adding an Intermediate Court Was Accomplished

Under the leadership and support of the municipal party committee, the municipal people's congress, the standing committee of the municipal people's congress, and the Supreme Court, we finished the task of adding one intermediate court to the system. The first and second intermediate courts were officially opened for operation on 10 May last year. Practical experience of over half a year indicated that this measure was suitable for the needs of the legal system and was beneficial to bringing out the function of the higher and intermediate courts. It strengthened the leading role of the trial and punishment work and ascertained that the decisions on the major, serious, and difficult cases could be made on a timely basis through the group discussion of the trial committee. This means not only the principle of democratic centralism was further applied in the trying process, but the quality and efficiency of case handling were also improved. The two intermediate courts tried and concluded a total of 5,653 various cases during the

second half of last year, an increase of 29.5 percent over that of the same period in the previous year.

Although we attained relatively good results for our work last year, there were still some deficiencies and inadequacies in the our work. The main deficiencies and inadequacies were as follows: Improper judgment was made on an individual case; some cases dragged on too long and passed the statutory time limit; a better solution to the problem regarding "enforcement difficulties" was still not found; a few judging staff members demonstrated poor trial and punishment work style; the experience in trying and handling modern crimes was still waiting to be accumulated and earnestly concluded; the supervision and guidance provided for trial and punishment work were still not timely enough; and the material conditions available to ensure the completion of the trial task were still not suitable. We must adopt effective measures to seriously improve and amend the deficiencies and inadequacies.

The Key Points of the 1996 Tasks

Based on the important speech made by General Secretary Jiang

Zemin during his inspection in Beijing and the work directions given by the central authority to Beijing, according to the requirements of the municipal party committee and the Supreme Court, and combining the work reality of the courts in the municipality, all levels of courts in our municipality must persist in carrying out Deng Xiaoping's theory of building socialism with Chinese characteristics and the basic party line. We must adhere firmly to the overall work of the party and government and insist on strict law enforcement. We must bring the trial function into full play, maintain the social stability of the capital with an all-out effort, and provide effective judicial support to reform, opening up, and economic development in the capital. Focus should be placed on getting the following tasks done properly:

I. The "Three Harsh Punishments" Must Continued to be Insisted Upon and Social Stability Must be Maintained With an All-Out Effort.

The top priority task of the courts this year is to maintain social stability in the capital. We have to insist on adopting the crackdown principle and harshly punish the criminals who seriously endanger the safety of the country and social order. Severe blows must be dealt according to the law to the serious criminals who use the power entrusted to their positions to make personal gains, be corrupt, accept bribes, embezzle, and so on. The preparation work must be sufficiently done on the major and serious cases related to the crimes of Wang Baosen that are going to be prosecuted soon so that

they can be tried and handled properly according to the law. The serious criminals who obstruct reform and opening-up drive and damage the economic order must continue to be punished severely according to the law. All levels of courts must maintain the high-handed manner to resolutely blow out the different types of serious criminals so as to develop a reputation and build up a momentum to crack down on crimes. In the mean time, we must participate energetically in the comprehensive social order management through the judicial work.

II. We Should Get All the Trial and Punishment Tasks Done Properly and Provide Effective Judicial Support to Reform, Opening-Up, and Economic Development

All levels of courts in the municipality should earnestly try and handle economic dispute cases and intellectual property right cases. The economic relations should be regulated according to the law. The reform, opening up, and economic development should be promoted. Civil, administrative, and national compensation cases must be seriously tried and handled. The enforcement work should be heightened and improved. The legal rights and interests of citizens, legal persons, and other organizations must be protected according to the law. We must promote a fair, safe, civilized, and healthy development for the society.

III. We Should Fully Implement the Judge Law and Build a Contingent of Judges That Can Be Trusted and Relied On by the Party and the People

We must strengthen the contingent construction with an all-out effort according to the regulations of the Judge Law. Ideological construction should steadfastly be given the highest priority. We must pay attention to learning, politics, and righteousness and continue to improve the political quality of judges. The power to try and punish must be properly used. The trial and punishment style should be solidly improved. Hence, we can serve the people better. The construction of leading bodies at various levels should continue to be strengthened, and the principle of democratic centralism should resolutely be implemented. Honest administration should be enhanced. The recognition of the courts of the importance and urgency of the anticorruption and honest promotion must be further heightened. We must administer the courts strictly, improve the various supervisory measures continuously, and investigate and punish the law and discipline violation cases stringently. Professional training should be enhanced and the professional standard and ability of judges should be raised. Consequently, a contingent of judges that is politically firm, professionally proficient, well experi-

enced, of good style, and trusted by the party and the people will be created.

IV. We Should Take Strict Law Enforcement as the Theme and Get All Tasks Accomplished

Strict law enforcement is required in the building of the socialist democracy and legal system. It is required in the development of the socialist market economy. It is also what the party and the people want from the courts. Only when enforcing the law strictly and handling cases impartially can the people's courts maintain the authority and uniformity of the legal system and bring out the trial and judgment function properly. This year and throughout the Ninth Five-Year Plan period, the focus of the work of the courts in the municipality should be on enforcing the law strictly and advocating an overall improvement of the judicial level. We must continue to ensure the complete implementation of the case handling standards, promote the reform of the trial style, further enhance the investigation and study and the supervision and guidance of the trial and punishment work, actively explore and gradually establish a management mechanism that is suitable for the characteristics of the trial and punishment work, improve the material equipment for the courts, and ascertain the completion of all tasks.

This is the first year to implement the Ninth Five-Year plan, and all levels of courts in the municipality are faced with arduous and heavy tasks. Under the leadership of the Beijing Municipal CPC Committee, and under the supervision and guidance of the municipal people's congress and its standing committee and the Supreme Court, we must revitalize our spirit and get all the trial and punishment tasks accomplished with all-out efforts. We must make new contributions to maintaining stability in the capital, protect reform and opening-up drive, and promote economic and social development!

PRC: Hebei Enforces Nation's First 'Anti-Earthquake Law'

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[FBIS Transcribed Text] Shijiazhuang, June 14 (XINHUA) — China's first anti-earthquake law has been put into force in Hebei Province.

The regulations governing safety evaluation of earthquakes, adopted by the local people's congress, aims to provide counter earthquake measures and diminish the loss caused by disastrous quakes.

"It is important to formulate a law to secure the safety of people's lives and property when unexpected

earthquakes occur," said Yang Guobao, deputy director of the provincial seismic department.

Based on relevant national laws and regulations, the rules lay due stress on earthquake safety evaluation, management of antishock standards and reasonable utilization of resources and investment.

Yang said Hebei is one of the country's densely populated provinces. About 44 percent of its population live in the area with a potential earthquake intensity above seven degrees, he said.

A latest seismic study shows that there is a clear-cut earthquake belt across the province and the possibility of destructive quakes within the region.

Statistics show that out of 149 earthquakes above five magnitude in North China since 1815, 68 occurred in Hebei.

Since the founding of New China in 1949, there have been 13 disastrous earthquakes in the province, leaving 272,500 people dead. The most grievous were strong quakes in Xingtai in 1966 and Tangshan in 1976. The latter caused 242,700 deaths and left 164,800 seriously injured.

Yang said Hebei has entered a key period for economic development. It is of great significance to strengthen seismic safety evaluation to improve the investment environment.

Over two decades local seismic departments have conducted evaluations of hundreds of large and medium-sized cities and enterprises in the province.

Yang said the newly-enacted regulations are expected to promote the local economic development and social stability.

PRC: Inner Mongolia's Liu Mingzu on Politics

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[Article by Liu Mingzu, secretary of the Inner Mongolia Autonomous Regional CPC Committee; originally published in Issue No. 6 of SHULIAN ZAZHI (Practice Magazine); date not given: "Cadres in Minority Nationality Regions Should Place More Stress on Politics"]

[FBIS Translated Text] Recently, Comrade Jiang Zemin repeatedly stressed that "leading cadres must stress politics," pointing out that "what is called politics here includes political orientation, political stand, political viewpoints, political discipline, political differentiability, and political insight. We should be sober-headed in handling political problems." After conscientiously studying and understanding the guidelines of this in-

struction of Comrade Jiang Zemin, we became deeply aware of the great significance of this instruction. It is a matter of great importance that cadres of various nationalities in minority nationality regions should implement the guidelines of this instruction and upgrade their political quality in the course of practice.

Following the establishment of the class, the party, and the government in human society, politics and economics became inseparable. Politics reflects the economy in a centralized way. Comrade Mao Zedong once profoundly pointed out: "Political work is the lifeblood of all economic work." It used to be a principle in the past, and it is a principle in the new situation of conducting reform, opening up to the outside world, and establishing the socialist market economic system. The fighting goal that our communist party members should realize is a political goal; it clearly reflects the political stand, political viewpoint, and political purpose of our communist party members. Stressing politics is an essential demand established by the party on leading cadres at various levels in the course of realizing their fighting targets and fulfilling their historical heavy tasks. Our country, where minority nationality regions have special features of their own, decided that the cadres working in these regions should place more stress on politics. Most of the areas inhabited by minority nationalities are located in border areas, so that with comparatively poor natural resources, a weak economic foundation, and arduous living conditions, these areas are relatively less developed than coastal and inland areas as regards culture. Thus, correctly understanding the position that minority nationality regions occupy, the relationship between the stability and development of these areas and the overall situation of the entire country, and the prospects for development of these areas, as well as correctly treating the existing difficulties of these areas, are the most basic demands on cadres in these areas.

To stress politics, cadres in minority nationality regions should foster the Marxist viewpoint on nationalities. Our country is a large family composed of various nationalities. Fifty-six nationalities jointly created the history and culture of the PRC nation. Our party has consistently held that people of various nationalities throughout the country, regardless of their different sizes, histories, and development degrees, have made contributions to the motherland's civilization. These nationalities are related to one another on the basis of equality, unity, and mutual assistance. Just based on this, early in the time of revolutionary war, the party paid full attention to the work and problems related to nationalities. Through a long duration of exploration, our party linked the basic Marxist principle with the PRC's specific actual condi-

tions and defined that the minority nationality regions should carry out the regional national autonomy system. Under the leadership of the CPC, the Inner Mongolia Autonomous Region was the first to carry out this system. A history of nearly half a century, from the establishment of the Inner Mongolia Autonomous Region on 1 May 1947 to the birth of other minority nationality autonomous regions following the establishment of the PRC, proved that this kind of system, which organically links the centralized reunification of the country with the autonomy of the regions inhabited by the minority nationalities, and which organically links political factors with economic factors, completely conform to our country's situation as well as the only accurate choice to solve problems on nationalities. This basic system is a great work pioneered by our party and the people of various nationalities, as well as a great contribution to the Marxist theory on nationalities. Over the past 50 years, the party and state have persisted in this system, established and developed a new type of relation between various nationalities, promoted the unity and progress of various nationalities and sought common wealth for all nationalities in the course of developing the socialist undertakings, and formed a series of basic policies on handling the problems related to nationalities at home. To stress politics, cadres in minority nationality regions should stress the Marxist theory on nationalities and the policies on regional national autonomy. This is a basic political viewpoint we should attend to.

Presently, the western hostile forces have used so-called human right, nationality, and religious problems to increase their implementation of tactics of "separatism" and "westernization" and have conducted infiltration, sabotage, and subversive activities in the PRC and many countries in the world. We must have a high political sensibility on this and must not let the conspiracies of western hostile forces succeed. As far as a minority nationality area is concerned, the struggle and task of opposing "westernization" and "separatism" is more arduous. The PRC's minority nationality areas are the state's forward positions for implementing the border development strategy and the outposts for preventing "westernization" and "separatism." To stress politics, leading party cadres at all levels working in minority nationality areas should stress the necessity of upholding the great unity among the people of various nationalities and the reunification of the motherland. To this end, we should consciously study and make good use of Deng Xiaoping's theory of building socialism with Chinese characteristics, especially the Marxist nationality theory and the party's policy on nationalities, and should enhance our mastery of this theory and political awareness. In the process of recognizing, analyzing, and solving problems, we should always uphold the historical materialist

and dialectical materialist world outlook and methodology; should always stand on the high plane of politics of safeguarding the reunification of the motherland, national unity, and social stability; and should carry out all fields of work in minority nationality areas in a down-to-earth manner.

To stress politics, cadres in minority nationality areas should try by all possible means to concentrate their energies on pushing economic construction forward. Economic and social development in a minority nationality area is the basis for consolidating national defense, stabilizing border areas, and safeguarding the reunification of the motherland. Long ago, Comrade Deng Xiaoping pointed out: To observe minority nationality areas, we should mainly see which areas can be developed. Our policies to help minority nationality areas develop will be unswervingly implemented. It is not realistic to implement regional national autonomy without a good economy. Our policies for minority nationality areas are aimed at developing these areas. In his important speech given during his tour to south China, Comrade Deng Xiaoping also earnestly advised the entire party: "The key to seizing opportunity and developing ourselves is to develop the economy. At present, the development of some countries and regions surrounding us is much more rapid than ours. If we fail to seek development or develop ourselves very slowly, problems will occur if the people compare it with that of other places." In studying these brilliant expositions by Comrade Deng Xiaoping, we have deeply realized that only by further developing and liberating the productive forces, by strengthening the economic strength, and by raising the material and cultural life of the people of various nationalities can we prove the superiority of the socialist system with incomparably convincing facts and the correctness of the party's regional national autonomy system, and can we further enhance the minority nationality people's centripetal force and cohesion towards the Communist Party and the socialist system. Thus, vigorously developing the productive forces of minority nationality areas, and promoting progress and prosperity in the minority nationality areas, constitutes not only an economic task but also a major political task.

Marxism maintains that the nationality problem is a part of all social problems. Only by solving overall social problems can the nationality problem be gradually solved. During the present stage, the PRC's nationality problem is manifested in a concentrated manner in the urgent demand to accelerate economic and social development of minority nationalities and minority nationality areas. We should recognize that since reform and opening up, minority nationality areas have achieved considerable economic and social progress, which is of

worldwide attention. However, owing to various natural, historical, and cultural reasons, the gap between the economic and social development of minority nationality areas and that of coastal developed regions is widening. This gap is prominently contradictory to the strong desire to accelerate the development of the masses of cadres of various nationalities, and acutely stands in front of us. This requires our efforts to cultivate the sense of urgency of the times and the sense of historical responsibility; to promote the spirit of self-reliance; to unite with and lead the masses of cadres of various nationalities to firmly grasp the central task of economic construction without wavering in it; to try by all possible means to accelerate development; and to strive to realize common prosperity and invigoration among the people of various nationalities. Judging from the overall economic development situation of the entire country, minority nationality areas have tremendous potential for development because they have a small population but vast lands with rich natural resources, both on earth and underground. Take the Inner Mongolia region for example. It has a total area of 1.183 million square km, accounting for one-eighth of the country's total; it has a population of 22 million, accounting for one-sixtieth of the country's total population; and the latent value of the region's mining reserves (excluding petroleum and natural gas) has reached 1.3 billion yuan, ranking third among 30 provinces, cities, and regions in the PRC. Thus, Comrade Deng Xiaoping once said: "Since Inner Mongolia has vast grasslands and a small population, it may enter the front rank of development in the future." Our region has rich mining resources and is located in the Bohai Economic Rim area. It links with the northeast economic zone, north China economic zone, and the northwest economic zone, and it is close to the east China economic zone with vast prospects for development. It is the state's development priority, occupying a more obvious position in the PRC's marcoeconomy. Some of its industries occupy a pivotal position in the country's economic development. At present, the state has paid great attention to ending the trend that the development gap between minority nationality areas and developed areas is widening. The Fifth Plenary Session of the 14th CPC Central Committee also proposed explicit policy measures. As long as we seize the opportunity, deepen reform, expand opening up, and actively participate in the international and domestic markets on our own initiative, it is absolutely possible for us to accelerate development. In realizing the fighting objectives set in the Ninth Five-Year Plan, Inner Mongolia has formulated the fighting target of "two enhancements": namely, enhancing financial revenue levels and the standard of living of urban and rural citizens. This fighting target represents the common interests and wish of the

people of various nationalities across the region. It is not only an economic target but also a political target. In a certain sense, realizing these "two enhancements" is the most practical way of stressing politics. Cadres of various nationalities in our region should recognize the historical responsibility they are shouldering from the perspective of stressing politics, and should cultivate a sense of crisis and urgency. In addition to correctly recognizing our own unfavorable situation, we should also recognize our favorable situation and the historical opportunity facing us; should realistically strengthen the sense of opportunity and development; should seize the opportunity; should accelerate development; should strive to realize Inner Mongolia's fighting objectives for the Ninth Five-Year Plan period; and should realistically place all starting and resting points of our work in the "two enhancements."

To stress politics, cadres in minority nationality areas should pay attention to building a socialist spiritual civilization and to enhancing the overall quality of the people of various nationalities in minority nationality areas. In the face of the urgent demand of minority nationality areas to accelerate development, where should cadres in minority nationality areas, leading cadres in particular, concentrate their efforts while carrying out their work? Losing our confidence when we see a weak economic basis, being optimistic when we see rich resources, and paying attention to economic construction at the expense of building a spiritual civilization are all passive phenomena. We should recognize that, regardless of the past, present, and future, economic and social development is mainly determined by the degree of awareness of the people and the number of talents who have a good mastery of modern knowledge and skills. In a final analysis, market competition is a competition of talents and a competition of the quality of the people. The Fifth Plenary Session of the 14th CPC Central Committee pointed out: In the process of building the socialist market economy, and under the conditions of the mutual echoes of all sorts of ideologies and cultures in the global sphere, whether we can successfully build a socialist spiritual civilization has a vital bearing on the rise or decline, success or failure of the PRC's socialism, and on what image the PRC will present during the 21st century. Thus, our work focus should be concentrated on unswervingly upholding the principle of taking a two-handed approach in work and of being tough with both. While grasping the building of the material civilization, we should also grasp the building of the socialist spiritual civilization; attend to the building of ideology, morality, and culture; raise the overall quality of the people of all nationalities; and realize the unified fighting target of building both material and spiritual civilizations as proposed by the fifth

plenary session. Being economically backward and financially difficult, and having comparatively more natural disasters, minority nationality regions will find it difficult to develop various undertakings. Under such a situation, we should firmly grasp the policy on grasping both material and spiritual civilizations, prevent the phenomenon of paying attention only to the material civilization at the expense of the spiritual one, and exert great effort to attend to the spiritual civilization. Practice has shown that dispiritedness, poor moral integrity, a backward civilization, and the people's poor quality will not only lead to serious social problems, but will also finally create serious obstacles for economic development. To this end, we should not only carry forward the fine traditions of various nationalities and inherit the good legacy of culture, but also give up some old ideas that are not conducive to the prosperity and progress of minority nationality regions. We should exert great effort to improve minority nationality regions ideologically, morally, and culturally; accelerate the development of science and technology, education, and cultural undertakings in these regions; build a sound humane environment suited to developing the socialist market economy; strive to educate new types of persons with ideals, morality, education, and a sense of discipline; and realistically bring the development of the economy in line with the orbit of relying on scientific and technological progress and upgrading laborers' quality.

To stress politics, minority nationality regions should foster a spirit of paying attention to the overall situation and stressing unity and contributions. To stress politics, the leaders in these regions should pay attention to the guiding principle of "grasping favorable opportunities to deepen reform, expand the scale of opening up, promote development, and maintain stability." They should correctly handle the following relations.

First, we should accurately understand and handle the relationship between the interests of the part and those of the whole. Leading party cadres at various levels should be politically sober-minded and pay more attention to studying the basic principles related to Marxism, Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, Marxist historical materialism, and Marxist dialectical materialism so as to comprehensively but not unilaterally, systematically but not fragmentarily, and relatedly but not solitarily understand and analyze various complicated things and clearly distinguish the part from the whole. Particularly in the current new situation of taking economic construction as a key link and vigorously developing the socialist market economy, intensifying the thinking of considering the overall situation and accurately understanding and handling the relationship between the interests of the part

and those of the whole are particularly of more realistic significance. Under any circumstances, party cadres at various levels must always make the part submit to the whole, safeguard the authority of the central authorities, and support the central authorities' macro control over economic development. This is a requirement set forth according to political discipline; a demand to ensure a sustained, coordinated, and sound development of the economy; and an objective need to accelerate the development of minority nationality regions. The part must submit itself to the whole. The state and localities must do so. Viewing the country's overall situation, we know that only when the central authorities have the right to exercise macroeconomic control and effectively regulate and control the macroeconomy will undeveloped areas be able bring their advantages into play, all localities throughout the country be able to learn from one another's strong points, and the differences between various localities be reduced step by step. We should notice that in formulating policies, the central authorities have considered localities' special features and benefits; formulated preferential policies in the areas of industry and investment for central and western areas, particularly minority nationality regions; and set requirements for linking eastern areas with central and western ones. The implementation of these policies and measures is not only needed to develop the overall situation of the country, but it will also provide the minority nationality regions with a favorable opportunity to accelerate the pace of development. We should make good and full use of these preferential policies; positively accept assistance from brotherly provinces and regions; and turn state preferential policies and assistance and cooperation from brotherly provinces and regions into strong motivation for accelerating our economic development. At present, we should more actively welcome and support the state's endeavors to develop the minority nationality areas while rationalizing the distribution of productive forces, giving full play to and effectively using the advantage of natural resources, and striving to do a good job in feasibility studies, prospecting, pre-phase preparations and other supporting work for the construction projects which the state has designated in our region. Meanwhile, we should actively implement the strategy of using an open policy to bring along the whole economy, successfully introduce funds domestically and establish cooperation abroad, make our regional advantages and those of the southeast coastal areas complementary, and in the process of providing essential energy and raw materials for the development of the state and fraternal provinces and regions, accelerate our own development, construction, and economic and social progress.

Second, we should correctly handle the relationship between unity, stability, and accelerated development and actively serve as a model in safeguarding national unity. National unity is an important condition for political stability; and political stability is a reliable guarantee for economic development. We should always regard strengthening national unity and safeguarding social stability and realizing a long period of order and peace in the border areas as a matter of prime importance while grasping the work of the minority nationality areas. Under the banners of socialism and patriotism, the new relations we have established, such as national equality, unity, mutual help, and the idea that all nationalities are indispensable with one another, are a guarantee for achieving common prosperity among various nationalities. Long ago Comrade Mao Zedong pointed out: "Reunification of the motherland, unity among the people, and unity among all nationalities in China are the basic guarantee for success in all our undertakings." Cadres working in minority nationality areas should serve as examples of national unity in the first place and should pay attention to party spirit, discipline, principles, the overall situation, and unification. The party will not pay attention to one's nationality. No matter what nationality we come from, we should be the advanced persons of the working class with a communist consciousness. We are absolutely not the inner party representatives of the nationality to which we belonged. What we struggle for is the power and prosperity of the motherland, and what we contribute to and serve is the fundamental interests of the people of various nationalities. At present, to serve as an example in national unity, we should first always treat national unity as an issue of prime importance in stabilizing the society, accelerating economic development, and safeguarding the reunification of the motherland. Fundamentally speaking, we should uphold the party's basic line on "one central task and two basic points" without wavering; use the party's basic line to cement the minds of the people; concentrate the main energy of people of various nationalities on the central task of economic construction; arm the minds of the broad masses of cadres and people with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; and through invigorating the economy in the minority nationality areas, further enhance national unity among people of various nationalities. Second, we should more consciously and continuously conduct in-depth education on the party's theory and policy towards nationalities, enhance the awareness of cadres of all nationalities to safeguard national unity, cultivate the Marxist nationality concept, strengthen the ability to distinguish between right and wrong, narrow the market of hostile forces to create national separation activity to the greatest extent, and make the people more

profoundly understand that safeguarding the reunification of the motherland and national unity is the highest interest of the whole Chinese nation. Third, we should correctly understand, strictly distinguish, and correctly handle the contradictions of two different kinds of nature and resolutely attack all persons who coordinate with western hostile forces to engage in national separation and sabotage the reunification of the motherland. We should never label problems that are not nationality problems as nationality problems or label different views on nationality problems as practicing national separation. Meanwhile, we should promptly and properly solve all sorts of problems in the reality of life, change passive factors into positive ones, and create a good social environment for promoting unity and progress in the minority nationality areas.

Third, we should accurately handle the relations between the interests of the party and the people and those of individuals, and foster a spirit of sacrifice. Minority nationality regions, located along the border, are economically and culturally backward, poor in working and living conditions, and have a harsh climate. Thus cadres in these regions should foster an accurate outlook on the world, life, and values; proceed from the interests of the party and the people; always firmly remember the fundamental purpose of the party; and act according to what Comrade Mao Zedong taught us: "Wholeheartedly serve the people, never be divorced from the masses, proceed from the interests of the people and not the interests of individuals or small groups, and in the same way be responsible to the people and party leading organs. All these are starting points for our work." When any conflict of interest between individuals and the party or the people takes place, we should attach importance to the interests of the party and the people without hesitation, and never put our own interests high above everything. Our happiness should be based on the people's happiness, and the reverse will not be allowed. Now, some leading cadres do not have a strong sense of the party's purpose, a strong sense of the masses, or any affection for the masses. In thinking of questions and handling affairs, they put their personal interests high above those of the party and the people, and even seek their personal interests at the expense of the interests of the party and the people. The people in Inner Mongolia are not rich, and 2.5 million poverty-stricken people in rural and pastoral areas live below the poverty line. Thus, the task of shaking off poverty and seeking wealth is extremely arduous. Cadres at various levels in our region should work more arduously than those in developed provinces and regions. To this end, we should firmly foster a spirit of sacrifice and of arduous struggle; be sure to share weal and woe with the broad masses of the people; be devoted to doing good and practical deeds for the peo-

ple; and be sure to think of what the masses think of, in order to be eager to meet the people's urgent needs and help those in need. We should realistically change our ideas and work styles; take Kong Fansen, Li Guoan, and Li Rugang as examples; always keep the masses in mind; and always remember the most important political task — fighting to improve people's living standards. We should go often to the grass roots and places with the most arduous conditions and the most difficult circumstances to understand the people's weal and woe, show concern for the people's production and living conditions, understand the real situation of the people and the lower levels, do more good deeds to help the masses, and to try every possible means to tide over difficulties for the people. Only by so doing will we be able to lead tens of millions of people of various nationalities to work arduously, do pioneering work, blaze new trails, change the poor situation as quickly as possible, and make greater contributions to the prosperity and stability of the border and the long-term peace and stability of the state.

PRC: Inner Mongolia Will Fire Cadres Failing To Handle Tasks

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in Chinese 17 May 96 p 1

[By reporter Sun Yahui (1327 0068 6540)]

[FBIS Translated Excerpt] On the afternoon of 15 May, an entirely new sort of signing ceremony was held at the Ulanqab League Guesthouse. Liu Mingzu, secretary of the autonomous regional party committee; Wu Liji, chairman of the autonomous regional government; Han Zhenxiang, secretary of the Ulanqab League Party Committee; and Wang Weishan, head of the Ulanqab League Government, on behalf of their respective party committees and governments, signed their own names on the "agreement to be responsible for lifting Ulanqab out of poverty." This act showed the strong determination of the autonomous regional party committee and government of playing an exemplary role and of paying firm attention to the battle to support the poor. [passage omitted]

The signing of the responsibility agreement is another measure in the strategy of aiding the poor, and is intended to carry out the spirit of the on-the-spot meeting of supporting the poor and increase the work momentum for aiding the poor. The responsibility agreement clearly set forth that the Ulanqab League will gradually shake off poverty within five years' time, make impoverished areas have access to roads, electricity, postal communications, telephones, radios, and televisions, and basically resolve the problem of drinking water for people and animals. The overall targets for

shaking off poverty should be divided into years' tasks and assigned to banners, counties, townships, and towns. Those aforementioned units should also report to the upper level in a timely manner their division of responsibility and their progress in the task of shaking off poverty. The autonomous region will increase the special funds for the Ulanqab League, and find more loans to the Ulanqab League through various channels and forms. The investment in the Ulanqab League's science, technology, and education, and subsidies to its finance will be raised. Special support will be given to the Ulanqab League's significant infrastructural facilities. It is imperative to guide and encourage backbone industries of the autonomous region to develop a co-ordination relationship with the Ulanqab League. The autonomous region will supervise and inspect the Ulanqab League's aid-the-poor work, and annually examine the progress of the Ulanqab League in carrying out its responsibility of shaking off poverty. Meanwhile, the Ulanqab League party committee should also annually conduct assessments over banners and counties' work performance in aiding the poor. Major leaders of the league, banners, counties (cities), which encompass the responsibility system of shaking off poverty on schedule, should be awarded, commended, and employed at high levels. The league, banners, and counties (cities) failing to encompass the annual task should make self-criticism to the autonomous regional party committee and government. Major leaders of the league, banners, and counties (cities), who fail to handle the annual task for two straight years, will be fired on the spot.

After signing the agreement, Secretary Liu Mingzu and Chairman Wu Liji made important speeches.

Liu Mingzu concluded: During these days, I made some studies and inspections in the fields and peasants' households in the Quhar Right Wing Front Banner and Middle Banner, and I felt that the Ulanqab League's move to carry out the spirit of the on-the-spot meeting was speedy as well as solid. The major indicators were: first, the spirit of the on-the-spot meeting was known to every household, and cadres as well as masses all plunged into the war of aiding the poor. Second, the situation of the league was further spelled out, and the ideas for the development of the league were clearly defined. Plans and measures to shake off poverty were properly set at every level. Third, the subject factors contributing to poverty were analyzed in a conscientious and profound manner. Fourth, the current job of spring ploughing was spurred, and a good foundation for a yearly bumper harvest was laid. Liu Mingzu set forth several wishes for the Ulanqab League's work of shaking off poverty. First, he expressed the wish that the league can perceive the favorable conditions for

shaking off poverty in order to consolidate confidence. The Ulanqab League has a large number of mountains as well as vast land, and many areas have good conditions in terms of water conservation. As long as we can organize and mobilize people to do a good job in building the infrastructural facilities of farms and grassland, certainly we can shake off poverty in a stable manner. Aid-the-poor measures should integrate a long-term goal with a short-term one; integrate industry, agriculture, and animal husbandry; and integrate the target of making people rich with the target of making banners and counties rich. On the one hand, we should do a good job in the current production task, pay attention to some projects which require a shorter construction period and investment and give returns more rapidly, and promote the production of industry, agriculture, and animal husbandry. On the other hand, we should take the long-term future into consideration and engage in building infrastructural facilities for farms and grasslands. The plan of infrastructural facilities for farms should be done after spring ploughing ends, and the plan should be carried out right after the encompassing of the autumn harvest. In the meantime, we should accelerate the development of banner and county industries, especially township enterprises, and enhance the development of agriculture and animal husbandry. Only by so doing can we integrate the target of making the people rich and the target of making the county rich. Third, [as published] we should take the village as a unit to carry out the aid-the-poor plan year by year, clearly define responsible persons, and award and punish persons after annual inspections. Fourth, we should strengthen the building of leading bodies, attach importance to the interests of the party and people, reinforce the unity of leading bodies at all levels, achieve success in developing coordination among various departments, and make a concerted effort to win the battle of aiding the poor. [passage omitted]

PRC: Shanxi To Become Important Automobile Base

*OW1606150296 Beijing XINHUA in English
1451 GMT 16 Jun 96*

[FBIS Transcribed Text] Taiyuan, June 16 (XINHUA) — North China's Shanxi Province is expected to be the country's leading producer of special trucks and automobile parts through the year 2010.

The province's automobile industry now has 47 enterprises with 2.25 billion yuan of net fixed assets, allowing it to produce 3,000 eight-ton, heavy-duty trucks annually.

From 1991 to 1995, the province poured 665 million yuan into the sector's technological upgrading, of which

345 million yuan were used for heavy-duty trucks. 170 million yuan went toward automobile parts.

To improve the local automobile industry, the province gave priority to special trucks, especially coal trucks ranging from eight to 16 tons, cargo trucks, a series of electric trucks and trucks used for engineering projects.

It also aims to develop more than 40 major automobile parts-making enterprises within the province that can serve the country's larger automobile groups, including the China's First Automobile Works in north China, the Dongfeng Automobile Enterprise Group in central China, and the Yulin Diesel Engine Plant in south China.

The automobile parts enterprises mainly produce high-quality diesel engines, gear boxes used for heavy-duty trucks, radial tires, torsion bars, hydraulic steering pumps and gears.

Many name-brand automobiles that are made in China, such as "Jiefang" and "Dongfeng" trucks, as well as Audi, Peugeot and Isuzu sedans, are equipped with parts provided by the Province.

PRC: Meeting Held To Study Shanghai's Experience

*SK2605115296 Tianjin TIANJIN RIBAO in Chinese
3 May 96 p 1*

[FBIS Translated Text] On 2 May, the municipal party committee and government cosponsored a meeting of district, county, and bureau leading cadres to report on results of the Tianjin delegation's visit to Shanghai to conduct investigation and study and further make work arrangements. The meeting stressed: We should conscientiously study and use Shanghai's experiences for reference, proceed from Tianjin's reality, find where we lag behind, adopt forceful measures to improve our work and to make development, and ceaselessly promote Tianjin's reform, opening up, and modernization.

Gao Dezhan, secretary of the municipal party committee, and Zhang Lichang, mayor of the municipal government, made important speeches at the meeting. Li Shenglin, executive vice mayor of the municipality, delivered a report on investigation in Shanghai.

Li Jianguo, deputy secretary of the municipal party committee, chaired the meeting.

Present at the meeting were more than 400 people, including Fang Fengyou, deputy secretary of the municipal party committee; Nie Bichu, chairman of the standing committee of the municipal people's congress standing committee; Liu Jinfeng, chairman of the municipal

committee of the Chinese People's Political Consultative Conference [CPPCC]; Liu Fengyan, standing committee member of the municipal party committee and secretary of the municipal discipline inspection commission; leading comrades of the municipal party committee, the municipal people's congress standing committee, the municipal government, and the municipal CPPCC committee; principal responsible comrades of municipal-level departments, commissions, and general offices; and principal responsible comrades of districts, counties, relevant bureaus, and mass organizations.

Gao Dezhan guided a delegation to conduct investigation and study in Shanghai for six days from 8 to 13 April. During its stay in Shanghai, the delegation was warmly and thoughtfully received by Huang Ju, member of the political bureau of the CPC Central Committee and secretary of the Shanghai Municipal CPC Committee; and Xu Kuangdi, mayor of the municipal government; inspected nearly 60 units; and talked with more than 100 leading cadres at or above the bureau level. Through efforts, the delegation satisfactorily accomplished its study and investigation task; and attained the targets of gaining experiences and widening the field of vision and the way of thinking. After returning to Tianjin, the delegation conscientiously summed up its experiences. The municipal party committee held an enlarged standing committee meeting to especially hear the report. The meeting deeply studied ways for using for reference Shanghai's experience to promote Tianjin's work.

Gao Dezhan pointed out in his speech: Guiding a delegation to Shanghai to conduct investigation and study is a key measure for further pushing our municipality's work forward, as well as an important activity covered in the municipality's work. Under the leadership of the party Central Committee with Comrade Jiang Zemin as its nucleus, Shanghai has made achievements in reform, opening up, and modernization, which merits our attention; stood in the forefront of the country's material and spiritual civilizations, and created and accumulated fruitful experiences. Through the investigation, I sensed that Shanghai has based itself on a high starting point, developed itself at a fast speed, experienced great changes, and gained rich experiences. Through the study, we have widened the field of vision and deeply enlightened our thinking. The experiences gained by Shanghai's various fronts merit our emulation. However, the key is that we should study the spiritual essence of Shanghai's experiences. What is most important is that the Shanghai Municipal party committee and government have persistently taken Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line and basic

policies as guidances, and proceeded from Shanghai's actual conditions to creatively carry out their work. With a good development trend over the past few years, Tianjin has made noticeable headway in the work in various spheres. However, we still lag behind Shanghai in many aspects. To develop the good situation of the work in various spheres and to accelerate the pace of advance, we should conscientiously study and use for reference others' experience, particularly that of Shanghai.

Gao Dezhan set forth four requirements for studying and using for reference Shanghai's experiences and for accelerating Tianjin's development. First, further emancipate the mind, seek truth from facts, and widen the way of thinking. To emulate Shanghai, first of all, we should exert efforts to emancipate the mind and renew our thinking, foster a new idea related to the socialist market economy, and eliminate the ideas and the work methods which have taken shape under the planned economic system. According to the standards for being conducive to developing the productive forces of the socialist society, enhancing the overall national strength of a socialist country, and improving the people's livelihood, we should dare to try and to do pioneering work; resolutely eliminate the ideas of being overcautious, sticking to old ways, adopting a passive and wait-and-see attitude, and accomplishing nothing; and vigorously advocate the spirit of positively conducting reform, bravely making explorations, and stressing practice. We should boldly touch and resolve deep-layered contradictions, overcome difficulties, and create a way that takes into consideration Tianjin's characteristics. Second, we should further enhance awareness of grasping and making good use of favorable opportunities to ensure better and faster development of the economy. Taking advantage of the favorable opportunity provided in the Ninth Five-Year Plan period, the last one during this century, as well as the favorable opportunity of building the Bohai overall economic rim as defined by the state, we should strive to achieve our own work and build Tianjin into an economic center in north China. The leading cadres at various levels should further enhance the awareness of grasping the favorable opportunities, foster a sense of urgency, take advantage of favorable opportunities, and promote smooth progress in the work in all spheres. Third, we should further expand the dynamics of reform and opening up, boldly make explorations, engage in practice, and promote two fundamental changes. The key to studying and using Shanghai's experience as a reference is making a breakthrough in expanding the dynamics of reform and opening up. We should have a sense of urgency for deepening reform, think over reform, dare to conduct reform, and be skillful in reform. We should put the focus of reform on deeply reforming state-owned en-

terprises and be determined to expand the dynamics of reform. We should foster the thinking of opening the municipality wide in all directions. All trades and professions should deepen reform and further expand the scale of opening themselves to the places at home and abroad. Fourth, further pay firm attention to cultivating young cadres, strengthen the building of the leading bodies at various levels, and strive to upgrade the quality of leading cadres. With high standards, high starting points, high work efficiency, high returns on investment, and high leadership levels, Shanghai will achieve an extraordinarily great leap in development. We should further expand the dynamics of building leading bodies, and particularly strengthen the cultivation and selection of young, outstanding cadres. We should set up and perfect mechanisms to encourage leading cadres and to keep them within the bounds of discipline so as to bring pressure to bear on leading cadres, to make them have a sense of never giving up until achieving their work and accomplishing their tasks, and to form a situation of making concerted efforts to promote Tianjin's work.

Zhang Lichang pointed out in his speech: That Comrade Gao Dezhan guided a delegation to Shanghai to conduct investigation and study was an important measure which we adopted to prudently emulate the advanced and improve our work. Being the largest coastal open city in China and have great economic strength, Shanghai Municipality has created many precious experiences. We must prudently, conscientiously, and solidly emulate Shanghai's experiences. We should take the emulation of Shanghai as a favorable opportunity, make the best use of time, ensure the rate of progress, and elevate the work in all spheres to a new height. To achieve the next step in work, first of all, the leading cadres at various levels should upgrade their thinking, set high work standards, and organize and promote the work in all spheres closely in line with the targets of building Tianjin into an internationally large port city and an economic center in north China. Over the past years, the leading cadres at various levels have noticeably improved their thinking and work abilities, but they still have a long way to go compared to Shanghai's experiences. To emulate Shanghai, first of all, we should exert efforts to emancipate the mind and renew thinking. The development of the situation drives us to enhance the sense of urgency, to widen the field of vision, to be braver, and to accelerate the pace of development.

Li Shenglin said in his report: When conducting investigation and study in Shanghai, the comrades of the delegation found everything there fresh and new. They deeply sensed that over the past years, particularly since

1992, under the guidance of Comrade Deng Xiaoping's important speech made during his inspection in south China and the guidelines of the 14th Party Congress, Shanghai has made gigantic achievements in reform, opening up, economic construction, and all undertakings; done a good job in building both material and spiritual civilization; stood among the best in the whole country; actually realized the fighting goal of "realizing a change in a year and a big change in three years" as demanded by Comrade Deng Xiaoping; and entered a new stage of rejuvenation and development. After introducing Shanghai's gigantic achievements and main experiences in modernization, he said that Tianjin and Shanghai are China's largest coastal open cities. According to Tianjin's actual conditions, at present, we should pay particular attention to studying the problems in the following 12 domains. 1) Make a unified arrangement, accelerate the pace of developing the new coastal area and opening this area to the outside world, and strive to build Tianjin into an economic center in north China. 2) Foster thinking governing the management of property, make lively use of the existing infrastructure facilities, optimize the distribution of natural resources, and enliven the use of urban construction capital. 3) Deeply reform the investment system, carry out a proprietary responsibility system, and realize a favorable cycle of input and output of construction capital. 4) Introduce the market competition mechanism into some monopoly trades to promote a change of enterprises' internal managerial mechanisms and to improve economic results and social effects. 5) Aim to comprehensively enliven state-owned enterprises, further expand the dynamics of reforming state-owned enterprises, and particularly make a breakthrough in tackling difficulties. 6) Deeply implement a modern enterprise system and make good use of state-owned enterprises' real estate. 7) Exert great efforts to develop tertiary industry, particularly accelerate development of the banking industry, and cultivate new economic growth points. 8) Pay more attention to using foreign capital, positively develop foreign trade, and vigorously pioneer international markets. 9) Persistently attach primary importance to working out economic development and urban construction plans. We should vigorously strengthen the overall planning work according to the requirements for building Tianjin into an economic center in north China and an international large city. 10) All levels of party committees and governments and the society as a whole should regard the reemployment project as a great matter, mobilize all forces, and strive to make real achievements. 11) Further

strengthen the construction of spiritual civilization at the time of building material civilization. 12) Strengthen the construction of leading bodies and the cadre contingent.

Li Jianguo made requirements for relaying and implementing the guidelines of the meeting. He said: The leading bodies of all localities, departments, and units should conscientiously relay and study the guidelines of this meeting, proceed from their actual conditions to

study Shanghai's experiences, compare themselves with Shanghai, and adopt measures to elevate their work to a new height. We should combine the study of Shanghai's experiences with the current work, grasp work priorities, concentrate efforts to eliminate weak points and difficulties, and ensure that we exceed the semi-annual tasks ahead of schedule.

PRC: XINHUA Reports on Execution of Taiwan Smugglers

OW1006143596 Beijing XINHUA in English
1422 GMT 10 Jun 96

[FBIS Transcribed Text] Shantou, June 10 (XINHUA) — Two counterfeit money smugglers from Taiwan were sentenced to death and executed in Shantou in south China's Guangdong Province today, while an accomplice was sentenced to the death penalty, but received a two-year suspension.

Chen Zhengde, Shi Yi and Chen Anjing, all from Penghu County in Taiwan, were caught by police when they shipped 13 bags of counterfeit renminbi currency into the sea area near Lufeng County in Guangdong Province.

The trio threw the phony cash into the sea and attempted to escape, but were captured by police. More than 24.6 million yuan of machine-made counterfeit bills were hauled on board.

Chen Zhengde and Shi Yi were convicted of smuggling counterfeit money for benefit and were sentenced to death by the Shantou Intermediate People's Court. They were executed after the Guangdong Provincial Supreme People's Court rejected their appeal.

The fishing boat and telecommunications equipment used by the smugglers were confiscated and turned over to the state exchequer.

It is the most large-scale counterfeit smuggling case on record in Shantou. The enormity of the amount is rare in China, officials said.

PRC: Shanghai Holds Conference on Work Toward Taiwan

OW1506001096 Shanghai JIEFANG RIBAO
in Chinese 25 May 96 p 1

[By reporter Cheng Zuyi (4453 4371 0122): "Continue To Oppose Division and Taiwan Independence; Continue To Forge Closer Economic Relations Between Shanghai and Taiwan — Shanghai Holds Conference on Work Toward Taiwan"]

[FBIS Translated Text] Shanghai held a municipal conference on work toward Taiwan at the municipal Exhibition Hall yesterday morning to convey the guidelines of the central conference on work toward Taiwan. The conference asked leaders at all levels to carry out, in a down-to-earth manner, Shanghai's work toward Taiwan in accordance with the central instructions and arrangements.

Wang Liping, deputy secretary of the municipal party committee, attended the conference and gave a speech.

Wang Liping said: Since the middle of last year, cross-strait relations suffered serious setbacks and retrogression. This was caused entirely by certain leaders among Taiwan's authorities who relied on the West to promote themselves, colluded with foreign anti-Chinese forces, and engaged in activities on the international stage to divide China. To counter their activities, the party Central Committee decisively made a major policy decision and arrangements to wage a struggle against division and "Taiwan independence." The struggle has produced interim success and dealt a heavy blow to pro-Taiwan independence forces on the island. Wang Liping pointed out: Considering the overall situation across the Taiwan strait, we are fully confident of success in resolving the Taiwan issue. At the same time, we must also realize that resolving the Taiwan issue remains a protracted, complicated, and difficult process. Our struggle against division and "Taiwan independence" will not cease as long as the Taiwan authorities continue their separatist activities. Wang Liping asked leaders at all levels to clearly recognize the situation, achieve unity in thinking, and raise their awareness. He asked them to earnestly study and implement the eight-point proposal on promoting the process of peaceful reunification of the motherland made by President Jiang Zemin on behalf of the CPC Central Committee and the Central Government, continue to implement the basic policy of peaceful reunification, firmly safeguard the principle of one China, and oppose division and "Taiwan independence." We must continue to promote contacts between people across the strait and exchanges in various fields and work hard to establish direct postal, trade, and shipping ties at an early date. We must continue to intensify Shanghai's economic work toward Taiwan and forge closer economic relations with it. We must do a good job of winning over the Taiwan people, show concern for and protect the legitimate rights and interests of Taiwan businessmen in Shanghai, and win over and unite with more forces who oppose "Taiwan independence" and advocate developing cross-strait relations and reunification.

Zhao Qizheng, standing committee member of the municipal party committee and vice mayor, chaired yesterday's conference. Zhang Zhiquan, chairman of the Taiwan Affairs Office under the municipal party committee, relayed the guidelines of the 1996 central conference on work toward Taiwan.

**PRC: Guangzhou Takes Steps To Attract More
Taiwan Investment**

OW0506011296 Beijing XINHUA in English
0048 GMT 5 Jun 96

[FDIS Transcribed Text] Guangzhou, June 5 (XINHUA)
— South China's Guangdong Province has attracted increasing investment from Taiwan, with 100 Taiwan-funded enterprises set up in the province in 1995.

The province now has more than 20 Taiwan-funded enterprises with investments each surpassing 10 million

US dollars. They operate businesses in the fields of chemical industry, agriculture, machinery, real estate and communications.

Many Taiwan consortiums and listed companies pour their largest investments into the province. And now a majority of products of the companies in the province are sold on the mainland.

In order to attract more investment from Taiwan, the local government has taken many effective measures to improve the province's investment environment.

Taiwan: Presidential Office: Li Hints at Resuming Military Drills*OW1506123696 Tokyo KYODO in English
1210 GMT 15 Jun 96*

[FBIS Transcribed Text] Taipei, June 15 KYODO — President Li Teng-hui has hinted that Taiwan may soon resume military exercises suspended since June last year, the Presidential Office said Saturday [15 June].

The office said Li dropped the hint when he made an inspection tour of military bases on Quemoy Island off the Chinese mainland Saturday.

"Situations on both sides (of the Taiwan strait) are strained, and the Ministry of National Defense has designated the next fiscal year as the year of military training," he was quoted as saying.

Taiwan's fiscal year begins July 1.

Taiwan has refrained from carrying out military drills since June last year to avoid provoking China.

Beijing, however, has conducted a series of large-scale war games in waters around Taiwan since June last year, when relations with Washington worsened due to Li's trip to the United States.

Taiwan's Army, Navy and Air Force rescheduled large-scale joint drills, set for November last year, for early May this year but postponed them again pending Li's inauguration as Taiwan's first directly elected president.

Observers said Li was disappointed by the lack of positive response from China for improvement of Sino-Taiwan relations despite Taipei's restraint.

Only a powerful defense capability can counter provocations from the adversary, Li was quoted as saying.

Taiwan: New Taipei Envoy to U.S. Visits Dallas*OW1506091696 (Internet) Taiwan Central News
Agency WWW in English 0812 GMT 15 Jun 96*

[By Ed Shay and Sofia Wu]

[FBIS Transcribed Text] Houston, June 15 (CNA) — Jason Hu, new ROC [Republic of China] representative in the United States arrived in Dallas Friday [14 June] for a brief visit.

This was Hu's first trip to the southern US city since he assumed his post a week ago.

During his visit, the former ROC government spokesman will attend a joint annual meeting of major overseas Chinese organizations in the US. He may also meet with Texan state government officials.

Hu said upon his arrival in Dallas that the ROC representative office will strengthen services to the Chinese community in the US. Noting that Taiwan is at a critical juncture of national development, Hu also urged all Chinese residents in the US to support the ROC's national cause.

Newly appointed Minister of Overseas Chinese Affairs Commission James Chu will also attend the three-day meeting here.

Taiwan: U.S. Representative Calls On New Taipei Interior Minister*OW1506091296 (Internet) Taiwan Central News
Agency WWW in English 0810 GMT 15 Jun 96*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, June 15 (CNA) — New Interior Minister Lin Feng-cheng on Friday [14 June] promised chief US representative in Taiwan that his ministry will do its best to help American businesses cope with land acquisition difficulties. Lin made the remarks while meeting with outgoing Director-General B. Lynn Pascoe of the Taipei office of the American Institute in Taiwan (AIT), who will return to the United States for new appointment by the end of this month.

In addition to the land acquisition issue, the two also exchanged opinions on a wide range of issues of mutual concerns, including cooperation in cracking down on drug trafficking. The AIT represents American interests in Taiwan in the absence of formal diplomatic relations between the two countries.

Lin promised to eliminate non-economic factors to help foreign investors in Taiwan, which he said will boost Taiwan's competitiveness and help the island move closer toward its goal of becoming an Asian-Pacific operation hub.

Taiwan: New Taipei Envoy to U.S. Holds Talks With Lord*OW1506091496 (Internet) Taiwan Central News
Agency WWW in English 0811 GMT 15 Jun 96*

[By Bill Wang]

[FBIS Transcribed Text] Washington, June 14 (CNA) — Taipei's new representative here met Friday [14 June] with Winston Lord, assistant secretary of state for East Asia and the Pacific, for the first time since he took office Monday for a general discussion of relations between Washington and Taipei.

Informed sources described the meeting between Jason Hu and Lord as a good one. Also present at the meeting

arranged by the American institute in Taiwan (AIT) were Ken Wiedeman, Lord's deputy, Hoawrd Lang, Taiwan coordination adviser at the State Department, and AIT Chairman James Wood.

After the meeting, Hu left for Dallas to address a joint meeting of the Chinese American associations which opened Saturday.

Hu, formerly director general of the Government Information Office, arrived here Sunday to assume his new duties.

Taiwan: Civil Aeronautics Head, U.S. Firm Agree 'Cargo Hub' Deal

OW1506091596 (Internet) Taiwan Central News Agency WWW in English 0811 GMT 15 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 15 (CNA) — The Civil Aeronautics Administration (CAA) signed a formal agreement with the US-based United Parcel Service Saturday on a UPS plan to set up an integrated regional air cargo transshipment hub in Taiwan.

The agreement was signed by outgoing CAA Director-General Tsai Ching-yen and a senior UPS executive.

Under the agreement, the Atlanta-based express parcel delivery company will invest US\$400 million to develop a 4,842-square meter space at Chiang Kai-shek International Airport's cargo terminal into its Asia-Pacific operations center.

It will be the largest single investment project to be launched by an international carrier since Taiwan began to promote its ambitious "cargo transit hub" development plan more than a year ago.

Tsai said at the signing ceremony that the UPS entry will help strengthen CKS Airport's status and function as an Asia-Pacific cargo transshipment center.

"By providing local companies with world-standard international door-to-door express delivery services, the UPS investment project will also help attract multinational enterprises to set up regional headquarters in Taiwan and improve the island's prospects of becoming an Asia-Pacific business hub and transshipment center," Tsai noted.

In addition to leasing a needed space to the UPS, the CAA will coordinate with customs and police authorities to offer round-the-clock services to facilitate UPS operations. But the firm must maintain security on its own.

The UPS will upgrade its current DC-8 fleet to Boeing 767 and 757 all-cargo aircraft, providing 50 flights a

week to and from Taiwan on a radial service web connecting the United States, Singapore, Manila, Seoul and major Japanese cities.

The UPS came from behind in a race with another US courier service Federal Express Corp. (FedEx) to win a contract from the CAA for the regional cargo hub plan.

Tsai, who has been tapped a vice chairman of the National Science Council, said FedEx is still welcome to set up a regional operations center at CKS Airport, Taiwan's main gateway.

The signing ceremony was delayed by nearly two hours because the local air cargo transport and warehousing labor union staged a demonstration in front of the CAA office.

The union complained that the CAA-UPS agreement will threaten job opportunities of its 500-plus members. It demanded the UPS give priority to hiring union members now working at the CKS cargo terminal. The demonstration ended only after Tsai promised to help union members negotiate with the UPS.

Taiwan: Foreign Affairs Official: DPRK Seeking Economic Aid

OW1406153696 (Internet) Taiwan Central News Agency WWW in English 1526 GMT 14 Jun 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — An official with the Ministry of Foreign Affairs said Friday that the government of the Republic of China [ROC] is mulling a request for economic aid from famine-stricken North Korea.

Peter P.C. Cheng, director of the ministry's East Asian & Pacific Affairs Department, for the first time confirmed reports that North Korea, through both direct and indirect channels, has expressed hope that Taiwan will lend a hand to help relieve its acute food shortage.

Pyongyang has maintained official diplomatic links with Beijing, Taipei's long-time rival.

But Cheng denied reports that Taipei would provide Pyongyang with 25,000 metric tons of rice, as Taiwan itself does not have much rice in stock.

Taiwan produces 1.68 million metric tons of rice a year, and only 420,000 metric tons would be available any time soon, according to Cheng.

A local newspaper recently reported that North Korea is preparing to send a trade mission to Taiwan. Cheng said the Foreign Ministry would be pleased to see the development, but stressed that it is still not clear whether

the request of aid would be formally forwarded to the ROC government during the visit.

The United Nations recently agreed to offer US\$43.6 million worth of food, including milk powder and corn, to North Korea.

Taiwan: Li Teng-hui on Justice Minister Change

*OW1406114596 Taipei Broadcasting Corporation of China News Network in Mandarin
2300 GMT 8 Jun 96*

[From the "Hookup" program]

[FBIS Translated Text] Kuomintang [KMT] Chairman Li Teng-hui pointed out today that saying the KMT has put Ma Ying-chiu in the wrong post is an old way of thinking. As a matter of fact, the KMT has plans to train Ma Ying-chiu. The possibility that Ma Ying-chiu may stand for election cannot be ruled out. Fighting organized crime and money politics is a KMT policy and it cannot be implemented by Ma Ying-chiu alone. Please listen to a report by Kuan Yu-kung.

[Kuan] That Ma Ying-chiu can no longer remain in his post as justice minister in the cabinet reshuffle has quite surprised the public. At an 8 June National Assembly meeting to discuss party and government affairs, President Li explained this. He stressed that saying Ma Ying-chiu has been put in a wrong post is an old way of thinking. He did not think that if one has done one's work well, one should remain in his post. The KMT has a plan to train Ma Ying-chiu. The possibility that Ma Ying-chiu may stand for election in future cannot be ruled out. [recording of Li's remarks indistinct]

KMT Chairman Li Teng-Hui today refuted the criticism that the KMT changing Ma Ying-chiu's post shows the government lacks determination to fight organized crime and money politics. Chairman Li said that fighting organized crime and money politics is a KMT policy. In the coming years, the policy will continue to be implemented. He also praised new Justice Minister Liao Cheng-hao, saying that he is bold and resolute in his work and said that he will certainly be able to do his work well. This is reported by Kuan Yu-kung, reporter of the Broadcasting Corporation of China.

Taiwan: Chungshan Institute Developing 'Tien Kung III' Missiles

*OW1406144296 Taipei TZU-LI WAN-PAO in Chinese
11 Jun 96 p 1*

[FBIS Translated Text] To strengthen Taiwan's overall air defense capabilities against possible threats from across the Taiwan Strait, the Chungshan Institute of

Science and Technology (CIST) is earnest in developing the "Tien Kung [Sky Bow] III" antimissile missiles after the Army's "Tien Kung I" and "Tien Kung II" antiaircraft missile companies were established. The "Tien Kung III" missiles, along with other missiles, aircraft, artillery, and radar systems, will form a tight air defense net to ensure security in the Taiwan Strait.

According to the military's overall air defense plan, the air defense net will consist of two layers — tactical and strategical. The tactical plan will include the deployment of "Northwest," "Avenger," and "Stinger" missiles as well as other antiaircraft weapons and artillery for low-altitude (150-1,500 meters above the ground) air defense tasks and the deployment of "Hawk," "Tien Kung I," and "Tien Kung II" antiaircraft missiles for medium-altitude (1,500-7,600 meters above the ground) air defense tasks. As for strategic deployment, the "Patriot" (PAC-III) and "Tien Kung III" antiaircraft ballistic missiles will be deployed to take charge of high-altitude (over 7,600 meters above the ground) air defense tasks.

It is learned that in view of the public's fear of missile attack after the Chinese Communists' three missile tests, the military planned to develop a medium-range surface-to-surface missile, dubbed "Tien Chi." However, in consideration of cross-strait interaction, defense deployment, and military balance between the two sides of the strait, the military decided to give up the missile development project and replaced it with the "Tien Kung III" antimissile plan. Military sources disclosed that it is expected that the first batch of "Tien Kung III" antimissile missiles will be commissioned by 2000.

Military sources pointed out: The "Tien Kung III" and "Patriot" missiles will mainly be responsible for medium- and high-altitude antimissile tasks. Countering enemy aircraft will be their secondary mission. It is expected that the "Tien Kung III" missile's firing range will be 60-80 kilometers. At present, expanding the missile's firing range is not a big problem. The major technical bottleneck needed to be overcome lies in the development of a terminal guiding system and target-seeking radar.

Military sources said: Taiwan's air defense weapons will be deployed according to the mixed disposition principle. The air defense plan will aim to cover low-, medium-, and high-altitude defense tasks, so that enemy aircraft and missiles can be destroyed while entering Taiwan's air space. In addition, the possibilities of Taiwan being attacked directly can be lowered and the island's war damage can also be reduced. Through the implementation of the "Tien Kung III" missile plan, we will be able to break the standard of advanced

technology, improve our weapon production capacity, and march toward the road of defense self-reliance

Taiwan: Navy To Retire Destroyers, Rely on 40 Modern Ships

OW1406145196 (Internet) Taiwan Central News Agency WWW in English 1345 GMT 14 Jun 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — The backbone of the Republic of China (ROC) Navy will be a fleet of 40 modern warships after several aging US-built destroyers and frigates are phased out in 1998, a high-ranking naval officer told the parliament on Thursday (14 June).

"The buildup is meant to counter the possible threat of a blockade of Taiwan in the event of war in the Taiwan Strait," Vice Admiral Miao Yung-ching, the Navy Chief of Staff, said in fielding a question by the Legislative Yuan's National Defense Committee.

In drafting a scenario for the "second-generation" fleet, Miao said it will be composed of seven Cheng Kung-class frigates, six Lafayette frigates, six Knox-class frigates, 12 500-ton Chin Chiang-class patrol vessels, and at least nine upgraded destroyers.

Miao added that the Navy is also seeking to build a fleet of smaller patrol boats to be used on near-shore defense missions.

He said that with the completion of the naval buildup, the Navy will be able to ensure the free passage of ships between Taiwan and other countries during wartime.

The Navy has already commissioned four Cheng Kung-class frigates, which are modeled after the US-built Perry-class frigates. The Navy will eventually have seven of the guided missile warships built by Taiwan's China Shipbuilding Corp.

The Navy earlier this year took delivery of the first of six Lafayette-class frigates it ordered from France in a US\$4.8 billion military deal arrived at in 1990. The Navy is scheduled to receive three others before the end of 1997.

The Navy struck a deal with the US to lease six Knox-class frigates in 1992, and the first three were delivered and joined the naval fleet in October 1993.

The 4,200-ton frigates, noted for their superb submarine detection capability, are equipped with three types of sophisticated sonar systems, and advanced weaponry systems such as Harpoon missiles and the MK-15 Phalanx weapons system.

The Navy currently touts one of the world's largest destroyer fleets, but many of the ships, built in the 1940's, are unable to meet the Navy's needs into the next century.

Taiwan: DPP National Congress To Discuss Charter, Restructuring

OW1406111096 (Internet) Taiwan Central News Agency WWW in English 0904 GMT 14 Jun 96

[By Elizabeth Hsu]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — The main opposition Democratic Progressive Party (DPP) is scheduled to hold its seventh national congress June 15-16 at the Chungshan Building on Yangmingshan in suburban Taipei to discuss the current charter and conduct power restructuring.

As a result of the setbacks in the presidential elections, the DPP is facing requests for party reforms, that may include a revision of its controversial "Taiwan independence" article in its platform.

The congress will also study the issues on woman's political rights, a direct election of the party's chairman and the restructuring of its central committee.

During the meeting, the 512 delegates to the congress will first elect 11 members to the Central Advisory Committee and 31 members to the Central Executive Committee, who will then elect the 11-member Central Standing Committee. The delegates will then elect from among the Central Standing Committee members the new party chairman.

Several party heavyweights are vying for the chairmanship with former chairman Hsu Hsin-liang and Chaing Peng-chien and Acting Chairman Chang Chun-hung being the front runners.

Taiwan: DPP To Strive for Success in Local Elections

OW1506104096 (Internet) Taiwan Central News Agency WWW in English 0954 GMT 15 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 15 (CNA) — The main opposition Democratic Progressive Party (DPP) will strive to win local-level elections under mainland China's perennial military threat in preparation for becoming Taiwan's ruling party, acting DPP Chairman Chang Chun-hung said Saturday (15 June).

Addressing the opening of the party's seventh national congress, Chang said the DPP will also use its seats in the Legislative Yuan and the National Assembly to

check and supervise the ruling Kuomintang's governance.

Chang said the party must also formulate a "China policy" that is in the interest of all Taiwan people. "I'm convinced that democracy is the best strategy to counter Beijing's military threat," he noted.

The two-day DPP congress will review the party's charter and platform and reshuffle its leadership.

The largest opposition party in Taiwan is under heavy pressure for internal reform following its defeat in the first fully democratic presidential election on March 23.

The congress would discuss the feasibility of revising the party's controversial "Taiwan independence" provision enshrined in its platform.

The 512 delegates to the congress are scheduled to elect 11 members to the Central Advisory Committee, 31 members to the Central Executive Committee and an 11-member Central Standing Committee Saturday evening.

The delegates will elect the party's new chairman Sunday afternoon from among the 11 new Central Standing Committee members.

Four party heavyweights are vying for the chairmanship, with acting Chairman Chang and Hsu Hsin-liang, a former chairman, being the front runners.

Taiwan: DPP Congress Elects Hsu Hsin-lian Party Chairman

OW1606120096 (Internet) Taiwan Central News Agency WWW in English 1105 GMT 16 Jun 96

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, June 16 (CNA) — Taiwan's main opposition Democratic Progressive Party wound up the first session of its Seventh National Congress here on Sunday [16 June] by electing Hsu Hsin-lian party chairman.

Hsu, a previous party chairman, defeated former Legislator Throng Tsai by a vote of 284 to 172.

Two other chairman hopefuls, acting chairman Chang Chun-hung and former chairman Chiang Peng-chien, were eliminated from contention Saturday after failing to be elected to the Central Executive Committee, from which the central standing committee members and chairman was chosen.

Chang's failure to make the committee surprised many political analysts. He received 11 ballots to tie with eight others for the last six spots on the Central Executive Committee, but his name was not picked in the ensuing draw.

Chang accepted the defeat calmly after the results were announced, blaming it on the unpredictability of fate.

Earlier, the congress had scuttled reform proposals put up by the acting chairman, including the direct election of the chairman by party members and the broadening of the chairman's power.

Taiwan: CETRA To Establish Trade Center in Poland

OW1606085796 (Internet) Taiwan Central News Agency WWW in English 0734 GMT 16 Jun 96

[By Elizabeth Hsu]

[FBIS Transcribed Text] Taipei, June 16 (CNA) — The China External Trade Development Council (CETRA) has decided to establish a trade center in Warsaw next year as a base for Taiwan companies to make inroads into Eastern European markets.

CETRA Secretary-General Ronnie Huang said the Taiwan Trade Center is expected to help promote trade and investment ties between Taiwan and Eastern European countries.

Poland enjoyed the best economic performance among Eastern European countries, and its capital of Warsaw now maintains a sister-city relationship with Taipei. CETRA believes that the solid ties between Taiwan and Poland make Warsaw an ideal springboard for Taiwan businesses that want to tap Eastern European markets.

Taiwan: Minister Pushes for Investment Projects

OW1506105096 (Internet) Taiwan Central News Agency WWW in English 0924 GMT 15 Jun 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 15 (CNA) — New economic affairs minister Saturday [15 June] asked relevant agencies to accelerate efforts in seeking solution to key issues which have prevented major private investment projects from being carried out.

Pushing for the implementation of 13 major private investment projects, Wang Chih-kang demanded the Industrial Development Bureau (IDB) and other relevant agencies to seek early solution to financing, land acquisition, labor force and utility supply. He asked IDB officials to trace the progress once every week.

Investments over NT\$5 billion (US\$180 million) in value are listed as major investment projects which the government should keep an eye on, according to IDB officials.

Among the 13 major projects, Formosa Plastics Corp.'s plan to develop Taiwan's sixth naphtha cracking plant

in Mailiao, Yunlin county hit a snag due to a land acquisition problem for a 500-meter long drainage, according to IDB officials who made their first report on industrial investment since Wang resumed his post on Monday.

Other major projects which also need government assistance include Tungtex's naphtha cracking plant, Yieh Loong's integrated steel mill, Taiwan Aerospace Corp.'s international cooperation project, TI-Acer's semiconductors plant, and Kwangyang's motorcycle manufacturing plant project.

Citing IDB tallies, Wang said major private investment projects carried out between 1992 and 1995 have generated NT\$381.6 billion (US\$14 billion) worth of output annually.

Should the 13 major projects be completed by 1997, Wang said, the manufacturing plants will create another NT\$1.26 trillion (US\$45 billion) in annual industrial production.

Taiwan: Foreign Envoys Praise Development Potential of Kaohsiung

OW1706114396 (Internet) Taiwan Central News Agency WWW in English 0738 GMT 17 Jun 96

[By Danielle Yang]

[FBIS Transcribed Text] Kaohsiung, June 17 (CNA) — A group of 10 foreign envoys and representatives stationed in Taiwan were impressed by the vitality and development potential of Kaohsiung after a visit to the city in southern Taiwan.

Invited by Kaohsiung 21st Century Urban Development Foundation to visit the harbor city, the group promised to strengthen cultural and trade exchanges with Kaohsiung. Their Kaohsiung visit ended on Sunday.

The foundation said because most foreign envoys know little about Kaohsiung, so it sponsored the visit to promote their understanding of the city, which is often described as a "cultural desert."

Theo H. Stiffl, president of the European Council of Commerce and Trade, said European manufacturers are willing to offer special management and technical assistances to Kaohsiung to help the city expedite privatization and improve management.

Panama Ambassador to ROC [Republic of China] Carlos A. Mendoza spoke highly of President Li Teng-hui's blueprint of managing a great Taiwan, and he hoped Kaohsiung could become an international metropolis in its own right.

Warsaw Trade Office Director Florian S. Buks said Kaohsiung and Warsaw will be closer in the future.

Other foreign envoys visited Kaohsiung include those from Burkina Faso, the Central African Republic, El Salvador, Guinea Bissau, Honduras, Britain, and Nicaragua.

Taiwan: Foreign Exchange Reserves Predicted To Reach US\$100 Billion

OW1706114996 (Internet) Taiwan Central News Agency WWW in English 0933 GMT 17 Jun 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 17 (CNA) — Foreign exchange reserves are expected to hit US\$100 billion soon with large amount of foreign capital flowing in recently, financial sources said Monday [17 June].

Taiwan foreign exchange reserves registered at a record high of US\$100.412 billion last June, but after Beijing held a series of military exercises last July and August, the figure dropped to US\$92.98 billion at the end of August.

Beijing's wargames in March in conjunction with Taiwan's first popular presidential election again forced the drop of foreign exchange reserves to US\$82.546 billion.

Foreign exchange reserves rebounded to US\$84.79 billion after the presidential election and cross-strait tensions eased.

Sources said that after Morgan Stanley Capital International (MSCI) included Taiwan stocks into its emerging market free index, large amount of capital flowed into Taiwan recently. It is estimated that foreign exchange reserves would hit US\$100 billion in no time.

Taiwan: Lien on Hopes To Contribute to Asia-Pacific Prosperity

OW1706115396 (Internet) Taiwan Central News Agency WWW in English 0934 GMT 17 Jun 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 17 (CNA) — Vice President and Premier Lien Chan said Monday [17 June] that the Republic of China [ROC] on Taiwan hopes to "serve as a relay" between advanced and developing nations in the Asia-Pacific.

Lien said as an Asia-Pacific member nation, Taiwan hopes, through its plan to turn itself into an Asia-Pacific regional operations center, to serve as a relay between advanced and developing nations of the region, passing on expertise and growing along with this region's

countries to develop the Asia-Pacific into the most important international economic entity.

He made the remarks when he addressed the opening of the first Asia-Pacific Youth Leadership Conference which carries a theme of "Promoting Asian-Pacific Peace and Co-Prosperity through Expanded Exchange and Cooperation."

During the 1990s, he said, relations between nations have strengthened because of progressive information technology, convenient and rapid transportation, and frequent trade activities.

Furthermore, because mankind faces such issues as the thinning of the ozone layer, the greenhouse effect, acid rain, and environmental protection that straddle national boundaries, the whole world is gradually being drawn together by common causes and heading toward the global village type of development, he added.

Lien said while the countries and peoples in the Asia-Pacific enjoy peace, there is still plenty of room for further cooperation to raise the standard of living. "Strengthening cooperation is the only route to maintaining peace and stability in the Asia-Pacific, and to attaining affluence and prosperity," he pointed out.

He told the audience that the traditional Chinese precepts that "the world is one big family," and "the world is one" express the very philosophy of the global village: to make no distinction by race or boundary, but rather to create room for all to co-exist and co-prosper, based on the spirit of freedom, equality and universal love.

After many years of effort at national development by our government, Lien said, the ROC has been moving step by step from developing nation to developed-nation status. "Now we are actively promoting the Asia-Pacific regional operations center plan, and the core objective of the plan is to further open and globalize Taiwan's economy and promote the healthy circulation of labor, goods, capital and information so that ROC and foreign businesses can make Taiwan their base for investing in and gaining a toehold in the East Asia market," he concluded.

More than 200 young people from over a dozen Asia-Pacific nations are attending the five-day meeting to discuss how to increase exchanges and expand the scope of contacts among youth in the region.

Taiwan: Text of Lien Chan Speech at Financial Meetings

OW1706133796 (Internet) Taiwan Central News Agency WWW in English 1151 GMT 17 Jun 96

[FBIS Transcribed Text] Taipei, June 17 (CNA) — The following is the full text of the speech delivered Monday [17 June] by Vice President and Premier Lien Chan at the joint opening session of the 1996 Asian Securities Industry Institute annual conference, the International Organization of Securities Commissions (IOSCO) Asia-Pacific Regional Committee meeting, and the Emerging Markets Workshop of the Federation Internationale des Bourses de Valeurs (FIBV), in Taipei:

Ms. Clemente, Minister Ocampo, Minister Chiu, Chairman Li, distinguished guests, ladies and gentlemen:

It is a great pleasure to be here today and meet so many financial leaders and experts from all over the world. Needless to say, I am especially glad that Taipei has been selected as the site for today's three events: the 1996 Asian Securities Industry Institute Annual Conference, the International Organization of Securities Commissions (IOSCO) Asia-Pacific Regional Committee Meeting, and the Emerging Markets Workshop of the Federation Internationale des Bourses de Valeurs (FIBV).

This indicates that the international financial community has taken note of Taiwan's economic development, the rapid growth of our capital market, and our efforts to liberalize and globalize it. I am delighted to see that you are joining US in further developing Taiwan's capital market—by far the most challenging job for this government.

The Role of the Capital Market in Taiwan's Economic Development

Taiwan changed from an agriculturally dependent economy in the 1950s to a newly industrialized one over a period of only twenty years. Forty years ago, the economy was extremely short of capital.

However, today we have the second largest amount of foreign exchange reserves in the world—next only to Japan. Such an achievement has come about within a relatively short period starting from the 1980s when the ROC [Republic of China] began to accumulate a significant trade surplus. This surplus, which developed in line with a series of trade liberalizations begun in the 1980s, is a phenomenon that obviously requires further explanation.

According to many theories, Taiwan's successful trade development did not come about all of a sudden.

Our economy actually passed through four distinct stages of development, namely, import substitution in the 1950s, export expansion in the 1960s, the secondary import substitution of the 1970s, referring to the development of the local capital goods and materials industries, and finally, the liberalization and globalization of today, that began in the 1980s. Each stage was initiated by specific policies under different conditions and each achieved outstanding results.

Capital of various forms has played an important role at each stage of our development.

In the 1950s, a lack of vital capital to support industrial development led to a concentration of Taiwan's economic development in labor-intensive local market-oriented light industries, including the processed foods industry. This was also the period during which we received a large amount of aid from the United States. In the 1960s, a series of fiscal and foreign exchange policy reforms were initiated to encourage local investment, especially in export-oriented and labor-intensive industries. In the 1970s, Taiwan began to achieve small trade surpluses, a sign that capital enrichment was providing the opportunity to develop more capital-intensive and heavy industries. It was also in this period that some high-tech and technology-intensive industries, such as the information industry, began to come into play. And then, in the 1980s, as mentioned earlier, Taiwan started to accumulate enormous trade surpluses, something never experienced before, and rare in the developing world. Taiwan became a capital-exporting country in the 1980s and completed a significant structural change during the same period.

At present we, have committed a large amount of direct investment to the Asia-Pacific region.

For instance, our aggregate investment in the ASEAN countries amounted to more than US\$27.8 billion at the end of 1995, while our ventures on the Chinese mainland were worth US\$26 billion during the same period.

Today, our service industry all together accounts for 60% of Taiwan's Gross Domestic Product (GDP), of which more than one-third, or 21% of GDP is attributed to the financial industry. It is hard to believe that the corresponding figure was 13% in 1985. We have finally reached the last stage of development in which the Service sector and financial sector in particular are leading economic growth. This is why I said at the beginning that the development of our financial market is the most challenging job for this government.

Taiwan's Capital Market Today

Let me present a few statistics about our capital market today. There are 362 companies listed on the Taiwan Stock Exchange, 60 others trade on the over-the-counter market. These figures have been growing at over 12% per annum since 1990. In 1995, the trading volume of Taiwan's stock market amounted to US\$375 billion, or 5% of global volume. In the first five months of this year, Taiwan's stock trading volume amounted to NT [new Taiwan] \$4.8 trillion (or US\$175 billion). Indeed, Taiwan's stock market, if not overheated, must be considered very active by international standards.

Our bond market has also been growing very rapidly. The volume of the bond trading for the first quarter of this year reached NT\$10.5 trillion, more than double that of stock trading during the same period. Our bond market has also become globalized by the introduction of the Asian Development Bank's "dragon" bonds denominated in US dollars, Japanese Yen [Y], and New Taiwan dollars since 1991, amounting to US\$13.2 billion, Y 3 billion, and NT\$2.6 billion, respectively.

In the futures market, local investors today are able to trade 98 different kinds of commodities listed on the 19 foreign futures exchanges. Moreover, we are actively planning to set up the first Taiwan futures exchange with an international alliance. Although foreign investors in our stock market currently are not allowed to hold more than 20% of the listed shares in a single company, this restriction will be relaxed in the near future. This market was also made available for foreign natural persons this spring. In order to foster our capital market, the pertinent authorities have drafted the regulations for the transaction and risk management of derivatives.

All these efforts represent only the first few steps toward enlarging Taiwan's capital market and making it globalized.

Strategies for Developing Taipei into a Regional Financial Center

The future growth of financial markets in Taiwan is intimately bound up with the overall plan to develop Taiwan into a regional operations center for the Asia-Pacific. Part of the plan for realizing that goal calls for adopting a series of liberalization and globalization measures to develop Taipei as a regional financial center. We are doing so because of the following five advantages embodied in Taiwan's economy and also in this region.

Substantial economic might and importance—Taiwan's GNP amounted to US\$240 billion and ranked among the top 20 GNP nations for 1995.

Large foreign exchange reserves—At present, Taiwan's foreign exchange reserves amount to about US\$85

billion and rank second worldwide. We are an important capital-exporting country.

Superior geographical location—Taiwan is well-situated geographically, almost at the middle of the West Pacific or the junction of Northeast and Southeast Asia. It has a long history of close ties with the United States and enjoys increasing trade with European countries.

That leaves Taiwan in an ideal coordinating position between the Chinese mainland and Southeast Asia on the one hand, and North America on the other hand.

Well-developed trade and investment network—Taiwan's active investments in neighboring countries have nurtured a strong trade network in the region, not to mention the overseas Chinese network in place long before any investment took place.

Abundant high-education manpower resources—Almost 65% of the population in Taiwan have a high school education, while 15% have college degrees. Currently, our greatest manpower resources are in the manufacturing sector, leaving US still somewhat short of the requisite number of financial professionals in various areas.

In addition to the positive conditions for further developing the ROC's capital market, burgeoning trade and vigorous economic growth throughout the Asia-Pacific provide Taiwan with a favorable external environment for adopting such an ambitious program. The massive expansion of infrastructure in the region has already created a strong demand for capital and financial services.

In Asia alone, according to the Asian Development Bank's estimation, the total amount of infrastructure investment may well exceed one trillion US dollars by the year 2000.

More than one-third of total global foreign exchange and stock market trading volume is generated in this region. The growth rate of each market in the region is expected to reach over 20% per annum in the next decade. All these factors have given US an excellent opportunity to carve out our own niche as a regional financial center.

To accomplish that, we have worked out six strategies for developing Taipei into a financial center.

First, we have set the year 2000 as the target year for achieving financial liberalization. Further removal of restrictions on inward and outward capital flows will be directed at achieving "full liberalization of offshore operations and gradual deregulation of the domestic market."

Second, although there are several financial centers in Asia already, such as Tokyo, Hong Kong, Singapore, and even Shanghai, to name a few prominent or

promising ones, we are still determined to develop Taipei into another financial center emphasizing capital funding and asset management.

While each center has its own niche and competitive advantages, Taipei as a financial center will add an important dimension of complementarity that can only further promote regional prosperity.

Third, we need to upgrade the efficiency and transparency of our financial system so that people in charge of operations are not responsible for supervision. The existing reviewing system will be replaced by a customer-oriented reporting system.

Fourth, we shall enlarge the depth and breadth of our capital market. I am very pleased to tell you that our futures market is scheduled to open next year. Investment risks derived from financial transactions, therefore, can be effectively hedged. We shall make information transfer in the capital market more efficient and less expensive than it is today.

Fifth, in order to truly globalize our financial market, we have to refine our financial regulations to bring them in conformity with international standards.

Finally, we have been adopting a more flexible way to promote financial exchanges with the other side of the Taiwan Straits. For instance, beginning in July of 1996, local securities firms may establish subsidiaries, invest in securities, and deal in brokerage and underwriting businesses on the Chinese mainland.

This will benefit Taiwan business investments on the mainland.

Prospects for Taiwan's capital Markets

As we look to the future, several tasks must be accomplished. First, we will expand our equity market, streamline our bond market and establish a full-fledged futures market.

To enlarge Taiwan's stock market, we have to bring relevant rules and regulations in line with international standards and norms. We shall lower funding costs and promote investment protection. The goal is to raise our capital amount to 30% of GDP by the year 2000, compared to the 19% of the present.

To integrate our market with those of the region, we will make cross-market listing accessible to both nationals and foreigners. This will allow a firm to choose the best time and place to issue debt or stock.

The great need for infrastructure funding implies an immense potential for our bond market. To increase liquidity, a few measures are being introduced. First,

we plan to regularly issue more varieties of bonds with different maturities so that market interest rate indicators can be established. Second, a centralized system for bond trading will be set up, and last but not least, we will have a credit-rating agency within the next year. Consequently, the bond market should grow three-fold by the end of the year 2000.

To offer more risk-hedging tools, we will set up a domestic futures market by mid-1997. A great variety of products will be traded on the market, including index, interest and currency futures, and related options. International participation will be crucial to our success. Your participation, therefore, is extremely welcome.

Finally, we all agree that unfettered capital movement is imperative to the success of our financial center initiative. We will end all restrictions on inward and outward capital flow by the year 2000.

Conclusion

In closing, I would like to speak for a moment about Taiwan's economic development. We have been very successful by adopting an outward-looking, open-door policy for developing new industries and restructuring the economy over the past four decades. Today, however, we face new challenges that call for new solutions. We are fortunate to have this distinguished group of financial experts here to discuss the expanding Asian capital market, which presents the most important and perhaps the greatest challenge that my country or any other country in the region faces. This conference will certainly make a significant contribution to highlighting the issues, circulating information, and promoting the regional financial market. I will be particularly interested in those suggestions you propose for how to develop Taipei into a regional financial center.

Today we are at a developmental turning point, and seek new strategies. The leading sector of our economy is the service sector, of which the financial industry accounts for the lion's share. We want to see this trend continue, not only because the financial sector has become substantial, but also because the economy will benefit from expanding financial markets. We want to continue our open-door policy to develop these financial markets.

Ladies and gentlemen, I wish you every success with your respective conferences, and a pleasant and fruitful stay here in Taipei. Thank you.

Taiwan: MAC To Consider Allowing Banks To Set Up in PRC

OW1406111196 (Internet) Taiwan Central News Agency WWW in English 0904 GMT 14 Jun 96

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — The Mainland Affairs Council (MAC) is willing to consider allowing domestic banks to set up branches in Mainland China, MAC Vice Chairman Kao Kung-lian said Friday [14 June].

Kao said the MAC will discuss the issue with the Finance Ministry.

Kao visited Finance Minister Paul Chiu Friday asking the ministry to soon provide a comprehensive report analyzing the advantages and disadvantages on allowing banks to set up branches on the mainland. Kao said the MAC will weigh the issue after receiving the report.

Chiu said his ministry favors allowing the Offshore Banking Units (OBU) to do business with overseas branches of Mainland China-invested banks, but he said he has to first communicate with the MAC.

Taiwan: South African Foreign Minister's Visit 'Crucial' to Policy

OW1706114896 (Internet) Taiwan Central News Agency WWW in English 0737 GMT 17 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 17 (CNA) — South African Foreign Minister Alfred Nzo's upcoming Taipei visit will be crucial to Pretoria's future policy toward Taiwan and Mainland China, diplomatic sources said Monday [17 June].

Nzo is scheduled to arrive in Taipei June 30 for a whirlwind fact-finding visit at the instruction of South African President Nelson Mandela.

While here, Nzo will exchange views with ROC [Republic of China] officials for the first time on South Africa's intention of developing official links with Mainland China.

"We have arranged for Nzo to meet with President Li Teng-hui, Vice President and Premier Lien Chan and Foreign Minister Chang Hsiao-yen during his 48-hour stay in Taipei," said an official of the Ministry of Foreign Affairs, who preferred anonymity.

The official stressed that the ROC government would not interfere in the development of Pretoria-Beijing ties. "But we'll tell Nzo that we hope South Africa will

never sacrifice its longstanding relationship with the ROC while forging ties with Beijing," he added.

Beijing has demanded Pretoria break diplomatic relations with Taiwan as a prerequisite for establishing formal ties.

On his Taipei visit, Nzo will be accompanied by all those who had visited Mainland China together with him in late March, including Raymond Suttner, chairman of the Foreign Affairs Committee of the South African parliament, and seven other parliamentarians and government officials. Nzo and his mission will leave Taipei for home on July 2.

The ministry official said Nzo is not expected to hold a formal press conference here. He will instead report directly to Mandela his findings after returning to his country.

If the South African government makes any formal decision on its future relations with both sides of the Taiwan Strait following Nzo's Taipei trip, the official said, President Mandela will personally issue a statement in Pretoria.

South Africa is the biggest of the 31 countries that maintain formal diplomatic ties with the ROC.

Taiwan: Justice Minister Views Crackdown on Organized Crime

OW1606104596 (Internet) Taiwan Central News Agency WWW in English 0933 GMT 16 Jun 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 16 (CNA) — Newly appointed Minister of Justice Liao Cheng-hao said Sunday [16 June] that his top priority will be to prevent organized crime from penetrating politics.

In a television interview, Liao said that the ministry will revise the legal system and work hand-in-hand with related government agencies to weed out the involvement of gangsters in politics.

Liao said that the ministry has already drafted organized crime law and money laundering law, and revised election and recall law. He said that in order to keep gangsters out of politics, the ministry is amending the regulations on cracking down on gangsters.

On law enforcement, Liao said that an effective system requires the cooperation of related government agencies. For example, he said, the prevention of economic crimes should be a coordinated effort between the Ministry of Economic Affairs and Ministry of Finance.

Liao promised that his ministry will seek greater cooperation with other ministries and government agencies in the crackdown on organized crime.

Liao said that his ministry will seek to build a more solid basis for the nation's legal system, and hopes to achieve the goal in three stages. The first stage aims to deter crime by increasing public awareness of law. The second stage intends to crack down on crime by stepping up both investigation and prosecution efforts. The third stage will focus on imposing punitive measures on perpetrators of crimes and rehabilitating convicted criminals after their release from prison.

Taiwan: Former XINHUA Official on 10-Day Visit in Taipei

OW1706114296 (Internet) Taiwan Central News Agency WWW in English 0738 GMT 17 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 17 (CNA) — Huang Wenfang, a former director of the Taiwan affairs department at the Hong Kong Bureau of communist China's official XINHUA NEWS AGENCY, said Monday [17 June] he was pleased to visit Taiwan to see for himself the actual life here.

Huang said it was a "historic mistake" that a person hailed as a "Taiwan hand" in both the Chinese mainland and Hong Kong had been barred from visiting Taiwan for decades.

Huang arrived in Taipei Sunday for his first trip to the island after having studied and handled Taiwan-related affairs for 42 years.

Huang, who retired from the XINHUA post in 1992, said Taiwan affairs have been his priority research subject since he first touched on such issues back in 1954.

Huang, now in his 70s, said he is optimistic about future relations between the two sides of the Taiwan Strait even though their ties have remained at a low ebb since last summer.

Huang, who currently serves as a political commentator in Hong Kong, predicted that mainland Premier Li Peng may deliver an important policy speech on the Chinese Communist Party's 75th founding anniversary on July 1 as Beijing's formal response to ROC President Li Teng-hui's peace offer unveiled in his May 20 inaugural address.

Huang is scheduled to meet the local press Tuesday after cutting the ribbon to open the Taipei branch of

the Hong Kong-based Credit Lyonnais Securities Asia in his capacity as the company's political advisor.

Political observers said although Huang already retired, his visit still carries some political significance.

During his 10-day stay here, Huang will meet with senior Taiwan officials in charge of mainland affairs, including Mainland Affairs Council Chairman Chang King-yuh and Straits Exchange Foundation Vice Chairman Chiao Jen-ho.

He will also meet with legislators from both the ruling Kuomintang and opposition parties, and senior executives of major trade associations before returning to Hong Kong on June 25.

Taiwan: Academic Exchange Helps Businesses Head For Mainland

OW1706114496 (Internet) Taiwan Central News Agency WWW in English 0738 GMT 17 Jun 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 17 (CNA) — Academic exchanges are working well for Taiwan businesses to crack mainland Chinese market, education sources said Monday.

Yuan-Ze Institute of Technology, an offshoot of Far Eastern Group, has recently dispatched four business management-majored graduate students to do research in leading mainland Chinese universities, hoping that the four young men will contribute to the company's operations in Mainland China in management and marketing. Far Eastern has been approved to establish a synthetic fiber plant in Shanghai.

Yuan-Ze President Wang Kuo-ming visited mainland's Qinghua University and Jiaotong University recently for discussion on academic exchanges and helped install computer network linking the two sides across the Taiwan Strait.

Private institutes are beating government organizations in cross-strait academic exchanges. The private Tamkang University sent students to the mainland in 1991. So far Tamkang students have visited or studied in more than 100 departments in Mainland China's colleges and universities.

At present, students from mainland Chinese graduate schools can only do short-term research and collect information in Taiwan, but cannot pursue formal academic degrees. Mainland authorities don't encourage students to study in Taiwan for fear that the students may be contaminated by Taiwan's democratic system and standard of living, the sources noted.

Taiwan students, meanwhile, are not prohibited to seek education at mainland Chinese universities or graduate schools.

Taiwan and Mainland China, however, do not recognize the academic degrees conferred by schools on both sides.

According to Ministry of Education tallies, only three Taiwan students went to Mainland China between 1986 and 1988 for entrance examination. The number increased to 180 in 1990.

In 1993, 55 Taiwan students registered for graduate school entrance examinations in Mainland China, while 230 sought to enter universities. In 1994, 73 Taiwan students were accepted by mainland Chinese graduate schools and 139 entered universities.

This year, 171 Taiwan students were accepted by mainland universities. Most of them are studying Chinese traditional medicine and clinical medicine.

Vice Education Minister Yang Kuo-tzu attributed the increasing number of Taiwan students seeking higher education in Mainland China to identical language, geographical proximity, and relatively lower tuition fees.

Taiwan: Education Ministry To Accelerate Reforms, Boost Exchanges

OW1406111296 (Internet) Taiwan Central News Agency WWW in English 0904 GMT 14 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — Taiwan will accelerate educational reforms and boost educational exchanges with Mainland China, Education Minister Wu Jin said Friday [14 June].

Addressing the opening of a seminar on international educational and cultural exchanges, Wu said Taiwan will overhaul its educational system and improve teaching materials so that its teenaged students would be willing to receive education at home instead of traveling to the United States for study without a guardian.

Many local parents have sent their school-age children to the US to shun Taiwan's rigid school education and fierce competition in entrance examination. Some American officials stationed in Taipei have complained to Wu that such a practice has caused many social problems in the US.

Wu, who just assumed his post on Monday, said the phenomenon symbolizes a failure of Taiwan's educational system. "I have assured the American officials

that we'll accelerate educational reforms to offer a better, healthier study environment for our adolescents," he said.

Meanwhile, Wu said the two sides of the Taiwan Strait should mutually recognize academic degrees to boost bilateral educational and cultural exchanges.

At present, students from Mainland Chinese graduate schools can only do short-term research and collect information in Taiwan, but cannot pursue formal academic degrees.

While Taiwan students can study at Mainland Chinese universities or graduate schools, Taiwan does not recognize academic degrees conferred by mainland educational institutions.

Wu said the Ministry of Education is working on a plan to allow mainland Chinese college graduates to do advanced studies and pursue advanced degrees in Taiwan and will consult with relevant government agencies on the feasibility of mutual recognition of academic degrees conferred by schools on both sides.

"We hope the plan can be implemented in the near future," Wu said, adding that the ministry would not consider opening the door to mainland high school graduates at the moment because they are too young and may not be able to adapt themselves to university education here.

Wu continued that Taiwan will offer more scholarships to encourage foreign students, particularly those from Asia-Pacific countries, to do advanced studies in Taiwan.

"I'm convinced that the measure will help disseminate Taiwan's developmental experience and spirit around the world," Wu said, adding that Taiwan has benefited from a similar program adopted by the US in the past.

Many senior Taiwan government officials, including Wu himself, have pursued advanced degrees at American universities with scholarships offered by US government authorities or private organizations.

The two-day seminar at National Taiwan Normal University is sponsored by the Ministry of Education to discuss Taiwan's educational internationalization plans and international educational cooperation programs. The seminar brought together more than 200 scholars and educators from home and abroad. Senior officials from foreign representative offices here have also been invited to the meeting.

Taiwan: Foreign Exchange Reserves Reportedly Rise in Apr

OW1506091196 (Internet) Taiwan Central News Agency WWW in English 0810 GMT 15 Jun 96

[By Lin Wen-fen]

[FBIS Transcribed Text] Taipei, June 15 (CNA) — Taiwan's foreign exchange reserves hit US\$84.79 billion in April, up US\$2.163 billion from March, according to the Central Bank of China (CBC).

The CBC said on Saturday [15 June] that as a result of Mainland China's military exercises in the Taiwan Strait, the island's foreign exchange reserves plunged to US\$82.546 billion in March, down US\$7.534 billion from February, marking the biggest monthly drop ever recorded.

However, after cross-strait tensions eased following the ROC presidential election in March, Taiwan saw its foreign reserves ascending.

Meanwhile, the CBC held 13.55 million ounces in gold reserves as of the end of April, worth US\$5.618 billion.

In all, the CBC's overseas assets in April reached US\$90.327 billion, up US\$2.172 billion from March.

Taiwan: Taipei-Developed Hydrofoil Launched for Test Cruise

OW1606091196 (Internet) Taiwan Central News Agency WWW in English 0859 GMT 16 Jun 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 16 (CNA) — A self-developed high-speed hydrofoil was launched in Taipei Sunday [16 June] for a test cruise.

The hydrofoil was developed over a period of two years by a team of researchers at the military-run Chungshan Institute of Science & Technology (CIST) with a budget of less than NT\$12 million (US\$433,212) a year.

The CIST originally wanted to develop the hydrofoil for a military rapid response task force to crack down on smuggling operations and engage in rescue missions, but has decided to provide the technology for private-sector use.

The christening and launch of the prototype hydrofoil was held on the Tamhsui River near Pali, Taipei County. Minister of Transportation and Communications Tsai Chao-yang, Formosa Plastics Group Chairman Y.C. Wang, and participating members of the research team witnessed the launch ceremony.

Tsai said that Taiwan has built a number of new roads and air terminals in recent years, but still cannot meet

its growing transportation needs. He added that since Taiwan is an island surrounded by water, the ministry will focus on sea transportation in the future.

Tsai said that the development of the hydrofoil not only demonstrates the concerted efforts of local scientists, but also marks the beginning of the government's "Blue Highway" Campaign.

He said that in the future, the 11.5 meter long, 9.1 meter wide, 3.4 meter high hydrofoil, which tips the scales at 1,660 kilograms, will accommodate more people. Its current seating capacity of eight (including the pilot) will be increased to 50, or even 100, so that the high-speed ferry can become a common means of public transportation.

Wang Cheng-sheng, head of the CIST research team, said that the hydrofoil can reach a maximum speed of 500 kilometers per hour, or half the speed of an airplane, and because it cruises three meters above the water, it is highly fuel-efficient.

It is estimated to take two hours to travel from Taipei to Kaohsiung by hydrofoil, half the time consumed by bus transport.

Formosa head Y.C. Wang donated 500 kilograms of carbon fiber to the hydrofoil development project, and said he will study the possibility of taking part in a larger project for construction of the transportation vessel.

Hong Kong

Hong Kong: TA KUNG PAO on IPR Talks, U.S. "Prejudice" Against China

OW1706102496 Hong Kong TA KUNG PAO
in Chinese 17 Jun 96 p a2

[Editorial: "We Will Know the Results of the Sino-U.S. Talks on Intellectual Property Rights"]

[FBIS Translated Text] Chinese and U.S. trade talk representatives consulted [cuo shang 4322 0794] with one another on intellectual property rights [IPR] issues in Beijing all day yesterday, but no information on the results of the talks [tan pan 6151 0445] was released by evening. The talks will continue today. The United States has set 17 June as the deadline, claiming that, if a new agreement [xie yi 0588 6231] cannot be reached today, it will impose an additional 100 percent of tariffs on \$2 billion worth of goods China exports to the United States; and China has also indicated that it will take countersanction measures. Previous experiences in handling trade frictions show that it is still possible the two sides will reach an agreement in the last minute because if a trade war erupts between China and the United States, it will hurt both countries and will also deal a blow to Hong Kong and Taiwan businessmen.

As for the impacts on Hong Kong, according to the Hong Kong Government's estimates, if the United States imposes "sanctions" against China, Hong Kong's economic growth rates this year will decline by 0.27 percent, the number of jobless people will increase by 7,800, and entrepot trade involving \$1.1 billion from the mainland will be affected. China's countersanction measures will reduce Hong Kong's economic growth rate this year by 0.13 percent. Once a Sino-U.S. trade war occurs, the Hong Kong Government estimates that Hong Kong's economic growth rates this year will decline by 0.4 percentage point, the number of jobless people will increase by 11,500, and entrepot trade from the mainland will decline by 5.3 percent and \$1.7 billion.

According to Taiwan's estimates, if a Sino-U.S. trade war breaks out, Taiwan investors on the mainland — especially those who have invested in electronics, textile, and plastic industries — will bear the direct impact of losing about \$600 million. There will also be indirect impacts.

If the crisis of this trade war can be eventually avoided, it will be the results of the two sides' hard work and not because of the threat to "sanction" China. In short, we still believe that consultations are good and sanctions will not help resolve the problem. The U.S. threat to "sanction" against China is both unreasonable and

useless. Imposing "sanctions" cannot possibly generate any economic benefits for the United States, it will only hurt innocent people, including Taiwan and Hong Kong businessmen, not the culprits who infringe IPR.

Whether or not an agreement can be reached rests with one fundamental understanding: Should we maintain that China and the United States have generally common interests, or should we maintain that Chinese and U.S. interests contradict? On the issue of IPR protection, Chinese and U.S. interests are the same. China also wants that IPR to be well protected because IPR protection will help China develop its intellectual products, and China is a country with ample intellectual resources. Of course, as a developing country, China can only improve its IPR protection system step by step and can in no way catch up with the standards of developed countries immediately. However, China's starting point is the same as that of the United States, namely providing IPR with better protection. Judging by what the United States has done, we cannot say that it fully understands that the two countries share common interests. That was why when the United States wanted to talk, it also threatened to impose "sanction" against China. This has cast a shadow on the talks and created unnecessary pressure on the talks. The United States' prejudice can be seen from its confrontational stance, frequent threat to exercise pressure on China with "sanctions," and failure to proceed from seeking similarities while preserving differences.

Another example of U.S. prejudice [pian jian 0252 6015] can be observed from the U.S. Import-Export Bank's recent announcement that it would not support China's Three Gorges Project. China disregarded the announcement, believing that "if it is twilight in the West, it is dawn in the East," believing that if the U.S. Government refuses to support the project with credit, other countries and consortia would. The problem is that it is U.S. business concerns which are strongly dissatisfied with the U.S. decision, because they think it has undermined their business opportunities. On 6 June, an official of the U.S. Import-Export Bank defended the decision, saying that "it has nothing to do with diplomacy, nor is it intended to send a signal to anybody," but that the Three Gorges Project fails to meet the requirements for environmental protection. The fact is that China's concern for the project's impacts on the environment is not any less than that of the American people. The Three Gorges Project's impacts on the environment have been thoroughly assessed by experts who maintain that there will be advantages and disadvantages, but advantages will far exceed disadvantages. In the white paper — "Environmental Protection in China" — released on 5 June, which is

the "World Environment Day," the Chinese authorities reiterate: "The Three Gorges Project is a gigantic, cross-century project which will control and develop the Chang Jiang. When it is completed, it can effectively control floods in the upper reaches of the river, enhance the flood-control capabilities of areas in the middle and lower reaches, and reduce the havoc which floods may wreck on the ecology and the environment. Compared with power plants that burn coal as fuel, the Three Gorges Project will dramatically reduce the discharge of pollutants, since it uses water to generate electricity. In addition to organizing experts to complete the Report on Assessing the Chang Jiang Three Gorges Project's Impacts on the Environment and the Solutions, the Chinese Government has also approved the Report on the Three Gorges Project's Environmental Impact. The Chinese Government will take effective measures to deal with the unfavorable impacts which the project may have on the ecology and the environment." By rejecting loans for the Three Gorges Project in the name of "environmental protection," the United States can only hurt the U.S. business circles' interests rather than obstruct the Three Gorges Project.

Because of these prejudices on the part of the United States, Sino-U.S. relations have been affected by twists and turns. Even if the IPR talks ended with an accord today, we still want to ask: Is it really necessary to push the two countries' relations to the verge of a trade war by creating a crisis like this?

**Hong Kong: Editorial Views Current, Past
Sino-U.S. Trade Talks**

OW1706061996 Hong Kong EASTERN EXPRESS
in English 17 Jun 96 p A2

[Editorial: "No Copyrights on Compromise"]

[FBIS Transcribed Text] Locked in negotiations late into the evening, delegates to trade talks on copyright piracy have always known that they stand to lose far more than they can gain by an outright trade war.

On the last occasion that the two sides went through this debilitating exercise 16 months ago, the United States tariff barriers had virtually been erected before China agreed to clear out the pirate operations going on all over the country. This year's performance has been a carbon copy, hovering on the brink of a US\$2bn (HK\$15.6bn) package of trade sanctions imposed by the US, and reciprocated by China with a threat to respond with an even more punitive list of sanctions.

The US calculates that they lose more than \$2.3bn in revenue every year due to Chinese copyright piracy, although China is not the only, or indeed the main culprit in intellectual property violations. Russia is the

biggest offender, but the US does not make the same hue and cry about the widespread piracy going on there, presumably because the world's largest democratic power does not wish to place greater strains on a country which is endeavoring to continue with its political reform program, in the face of an extremely strong challenge by the remnants of the communist regime.

China is a different problem. The only changes underway there are market oriented. The regime remains as totalitarian as ever. Human rights abuses are widespread, and in its mission to reform, the US has to impose what pressure it can, in an effort to control the country that will become the world's largest trading nation in the next decade or so.

Washington is not satisfied that Beijing's February 1995 promises to stamp out copyright piracy have been genuine, or sufficiently thorough.

And so once again the US is left showing an unyielding attitude, while their Chinese counterparts protest that they are doing their utmost to control the problem and have spent recent weeks dispatching television crews to record the scenes as yet another pirate factory is identified and closed down.

There is no question that the situation poses many problems for the Chinese authorities. Beijing cannot keep track on what is going on in various parts of the country, partly because corruption is so widespread that local officials can not only turn a blind eye to copyright violations, but may also shield the offenders from the eyes of central government.

That does not explain how the authorities have failed to identify large-scale factories operating quite openly in the border areas. Last month EASTERN EXPRESS revealed that one of 26 pirate factories in the region was the result of a partnership involving the People's Liberation Army.

This morning brings an end to formal talks, and the US will not relax its stance until it has seen convincing evidence threat China is really trying to put a stop to piracy. The breakthrough can only come with compromise; if China is able to agree to joint enterprise, this annual ritual can become a thing of the past.

Despite their suspicion that the US is trying to swamp China with Western culture, the fact that piracy flourishes shows this is happening in spite of all that the authorities can do.

Hong Kong: XINHUA Urges British Repatriation of Vietnamese Boat People

*OW1406104196 Beijing XINHUA Domestic Service
in Chinese 0833 GMT 12 Jun 96*

["Commentary" by XINHUA reporter Sun Chengbin (1327 2110 2430): "Britain is Duty-Bound To Settle the Hong Kong Boat People Problem as Quickly as Possible"]

[FBIS Translated Text] Hong Kong, 12 Jun (XINHUA) — A riot broke out at the Wan Yee Boat People Center in Hong Kong's Sai Kung early in the morning on 11 June. The 200 or so Vietnamese boat people set a fire in the compound and attempted to break the fence and flee. This was the second organized riot Vietnamese boat people staged within a month following the large-scaled boat people riot in Sha Tin's Pak Shek Boat People Center on 10 May. These repeated disturbances and riots show that the problem of Hong Kong's boat people, which has been troubling Hong Kong people for a long time, has become a menace upsetting the social stability. The vast number of Hong Kong people strongly expect that this problem can be settled completely and properly as quickly as possible.

The Vietnamese boat people problem is a heavy burden that the British Government has imposed on the Hong Kong people. When the International Conference on Refugees took place in Geneva in 1979, the British Government, acting generously at Hong Kong people's expense, pledged to make Hong Kong the "first haven" for Vietnamese boat people, to accept all the boat people arriving in Hong Kong, and to repatriate them back to Vietnam or relocate them in other countries after screening them. However, like many other countries, Britain is not willing to accept the Vietnamese boat people having arrived in Hong Kong; nor has the British Government honored its pledge of relocating them as quickly as possible. This has created the problem that large numbers of Vietnamese boat people have been staying in Hong Kong for an extended period of time.

Statistics show that, during the 16-year period from 1979 to 1995, Hong Kong accepted more than 200,000 Vietnamese boat people. To settle these boat people, the Hong Kong British Government has built many camps, hired many workers, and spent HK\$35,000 annually to support each boat; and the British Government in Hong Kong has spent more than HK\$7 billion of Hong Kong taxpayers' hard-earned money on these boat people's settlement since 1979. In other words, each Hong Kong resident has already paid an average of over HK\$1,000 for the settlement.

Even more serious is the fact that the boat people have become a serious, perennial social program troubling Hong Kong residents, as riots have time and again occurred in boat-people camps over the past 15 years. The more than 10 sizable riots that have taken place since 1989 have seriously upset Hong Kong's stability and immensely troubled Hong Kong residents. To control the riot in the Pak Shek Boat People Camp in May 1990, the Hong Kong police mobilized more than 1,600 policemen as well as airplanes, speedboats, and armored vehicles. After the riot broke out in the Pak Shek Boat People Camp in May 1995, more than 1,000 Hong Kong police were mobilized and more than 3,000 tear-gas bombs were launched. During the riot, the boat people set fires in the camps; robbed; burned 26 barracks, an administrative building, and 53 vehicles; held Correctional Department personnel as hostages. Some of the 200 boat people who ran away robbed people along the way, seriously harassing the nearby villagers. During the recent Man Yee Boat People Camp riot, which lasted as long as 10 hours, the boat people fought the police with self-made weapons and burned the office building and kitchen.

For the sake of safeguarding Hong Kong's social stability and Hong Kong people's interests, China has time and again urged Britain to settle the boat people problem completely by 1 July 1997 so as not to increase Hong Kong people's burden or leave any unresolved problem for the future special region government.

While the British Government in Hong Kong has taken some moves in repatriating the boat people as result of China's repeated urges and Hong Kong people's strong appeals, it still refuses to terminate Hong Kong's status as the "first haven," and its repatriation has also been proceeding very slowly. Currently more than 17,000 boat people are still staying in Hong Kong.

Even more bewildering were the Hong Kong British Government's unexpected announcement in November 1994 to let 125 boat people work outside the camps, and the ruling made by Britain's Privy Council in March 1996 to release 15 people of four boat people families. On the basis of these rulings, the British Government in Hong Kong has released 260 boat people at one time or another....[ellipses as received]. These moves have sent a wrong signal to the boat people in Hong Kong and have time and again obstructed the repatriation process. Criticizing these moves, Hong Kong's media stated that, in addition to hurting Hong Kong people's interests, these moves made people believe that Britain wanted to toss this burden and problem to the future special region government.

As the problem of Hong Kong's boat people was created single-handedly by the British, the British Government in Hong Kong is duty-bound to settle it appropriately, safeguarding the stability and rights of the Hong Kong people. The British Government in Hong Kong has no reason whatsoever to reject or delay the settlement. China and the vast number of people in Hong Kong expect the British authorities in Hong Kong to take practical measures and speed up the orderly repatriation so that the problem can be completely settled by 30 June 1997.

Hong Kong: Hong Kong Officials To Visit Beijing, Fuzhou

OW1406114896 Beijing XINHUA in English
1121 GMT 14 Jun 96

[FBIS Transcribed Text] Hong Kong, June 14 (XINHUA) — A group of Hong Kong government officials will be visiting Beijing and Fuzhou from June 18 to 26, a government spokesman announced here today.

The delegation will be headed by Secretary for Transport Gordon Siu.

"This is one in a series of China visits started in 1988 for the purpose of general familiarization," the spokesman said.

He said that the last similar visit, which took place in March this year, was led by the Secretary for Works H.S. Kwong.

Hong Kong: Fujian Top Officials Meet Hong Kong Delegation

OW1606151396 Beijing XINHUA in English
1509 GMT 16 Jun 96

[FBIS Transcribed Text] Fuzhou, June 16 (XINHUA) — Jia Qinglin, secretary of the Fujian Provincial Com-

mittee of the Chinese Communist Party, and Chen Mingyi, governor of Fujian Province, met here today with a visiting delegation of advisors on Hong Kong affairs.

Consisting of over 110 members, the delegation is led by Zheng Guoxiong, deputy director of the Hong Kong Branch of XINHUA News Agency.

Jia Qinglin expressed welcome to the delegation which is on its first visit to the province.

Jia said, Hong Kong is an important port for Fujian's export. Sixty percent of Fujian's import and export goods are handled through Hong Kong.

He expressed confidence in Hong Kong's stability and prosperity after its return to the motherland in 1997.

Zheng Guoxiong said the visit is aimed at letting every member have a better knowledge of Fujian's development in the past years and the mainland's building of socialism with Chinese characteristics.

Zheng said that during past few days' visit to the province, the delegation members witnessed major economic developments made by Fujian since the implementation of reforms and opening to the outside world.

He expressed the hope for expanding cooperation in various fields between Fujian and Hong Kong on a mutually beneficial basis.

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